Tropical Timber Market Report

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Top story

European associations call for restrictions on oak log exports

The sharp increase in the volume of European oak log exports to China in 2022 has prompted efforts by a range of European forest products associations to show to the European Commission that this trade has "reached an unsustainable level and risks jeopardising the viability of the (EU) industry".

These efforts are being undertaken by the European Organisation of the Sawmill Industry (EOS). The EOS member countries are Austria, Belgium, Denmark, Finland, France, Germany, Latvia, Norway, Romania, Sweden and Switzerland.

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Headlines

Central and West Africa

Orders, even from regular buyers, flat

Producers across the region say business is slow but stable and that there have been few price changes. Demand in Asian markets is flat even in the Philippines which is an important market. A sign that manufactures of wood products are experiencing quiet international demand is that buyers for the Philippines have recently begun to engage in price negotiations, this is unusual.

Due to falling orders for sawn okoumé for export sawmills are adjusting production and ramping up milling of azobe and okan. Increased availability of sawn azobe and okan, which are popular in the Netherlands, Belgium, and Germany, raises fears of a downward pressure on prices.

Transport challenges in Gabon

It is rumoured that the rail operator in Gabon plans to acquire four additional trains and 100 wagons specifically designed for the transportation of logs to expand log transport capacity.

This comes as the Minister of Transport has prohibited the movement of heavy goods vehicles on weekends and public holidays. This will affect the transport of logs and wood products. According to media reports any logging vehicle that is on public roads in violation of the decree will be liable to a fine ranging from 500,000 FCFA to one million FCFA and the immediate seizure of the vehicle.

See: https://www.lenouveaugabon.com/fr/transports-logistique/3006-19873-les-grumiers-de-nouveau-interdits-de-circuler-les-week-ends-et-les-jours-feries-au-gabon

Gabon’s export sales slide

In the first quarter of 2023, Gabon's sales to its top ten customers fell by 13% compared to the last quarter of 2022. Gabon's exports to China fell by 28% in the first quarter of this year compared to the fourth quarter of 2022 mainly due to the decline in manganese exports which dropped almost 70%.

Exports to Italy fell over 40% due to lower sales of sawnwood (-89%) and oil (-32%). Exports to Indonesia recorded a sharp drop of 46% and exports to Israel dropped 39%.

See: https://www.lenouveaugabon.com/fr/economie/0607-19893-les-exportations-du-gabon-chutent-de-13-au-1er-trimestre-2023-plombees-par-les-ventes-a-la-chine-et-l-italie

Measuring impact of forestry sector on the economy

In late June Gabon’s Minister of Water and Forests, the Sea and the Environment was presented with a report on the contribution of the timber industry to the Gabonese economy conducted by Ernst and Young and Mays Mouissi Consulting with the aim of measuring the impact of the forestry sector on the economic, fiscal and social development.

A summary of the main findings has been reported by Alix-Ida Mussavu writing for the Gabon Review where he says between 2014-2022:

- turnover in the logging sector increased fromCFA28 billion to CFA93 billion

- turnover in the forestry industry (particularly the veneer sector) increased by CFA455 billion francs (+290%) to reach CFA611 billion francs in 2022

The Gabon Review article provides additional production statistics.

See: https://www.gabonreview.com/gabon-lee-white-recoit-le-rapport-sur-limpact-de-la-filiere-bois-dans-leconomie-nationale/
and
https://bnn.network/breaking-news/economy/timber-sector-boosts-gabons-economy/

FSC roundtable on EUDR

FSC France held its Annual General Meeting on 29 June and this was followed by a round-table discussion dedicated to discussion of the EUDR. The aim of the round-table was to enable players involved with FSC to gain a full understanding of the subject and to raise questions on the compatibilities and divergences between FSC and this regulation.

See: https://www.youtube.com/watch?v=4NjFHNj8YjI
and
https://www.atibt.org/en/announcements/200/atibt-took-part-in-a-round-table-on-eudr-at-the-fsc-france-general-assembly-watch-the-replay

Log export prices

West African logs	FOB Euro per cu.m		
Asian market	LM	B	BC/C
Acajou/ Khaya/N"Gollon	265	265	175
Ayous/Obeche/Wawa	250	250	225
Azobe & ekki	275	275	175
Belli	250	250	-
Bibolo/Dibétou	200	200	-
Bilinga	275	275	-
Iroko	300	280	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	200	200	-
Moabi	280	280	250
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	330	310	240
Sapele	260	260	220
Sipo/Utile	260	260	230
Tali	260	260	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	425
Bilinga FAS GMS	580
Okoumé FAS GMS	460
Merchantable KD	400⬆
Std/Btr GMS	390⬆
Sipo FAS GMS	420
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	1,100
FAS scantlings	1,100
Strips	400
Sapele FAS Spanish sizes	460
FAS scantlings	489
Iroko FAS GMS	750
Scantlings	820
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	550
Movingui FAS GMS	380

Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in the Republic of Congo and Gabon.

See: https://www.itto-ggsc.org/static/upload/file/20230714/1689299252208888.pdf

Ghana

Calls for tax reliefs in mid-year budget

The Ghana National Chamber of Commerce and Industry (GNCCI) has urged government to consider introducing some tax relief in the mid-year budget review. According to the President of the GNCCI, Clement Ose-Amoako, this has become necessary to offer much needed respite for businesses and spur economic recovery.

The Chamber is of the view that the austerity measures introduced in the 2023 budget to meet conditions of the International Monetary Fund (IMF) bailout programme have gravely affected local businesses but, as the macro-economic conditions are showing signs of improvement, the government could remove some of the "tormenting" taxes.

The Association of Ghana Industries (AGI) and other businesses have also called on government to review the current high taxes which are hindering businesses growth. Some economists have also called for major review of fiscal targets and recalibration of taxes in the mid-year budget as there are serious concerns about Ghana's tax system because it is considered as undermining competiveness.

Source: https://thebftonline.com/2023/07/03/mid-year-budget-must-give-tax-breaks-gncci/#:~:text=The%20Ghana%20National%20Chamber%20of,for%20businesses%20and%20spur%20recovery

Heavy rains affected harvesting

Heavy rain was reported in areas in the south of the country during June leading to flooding and the collapse of bridges so many road were impassable days. The heavy rain hampered harvesting operations and the transport of logs from the forest to mills. This resulted in lower production which will show up in the statistics.

Ghana has two rain seasons, the major season is around May to June and the minor season around October to November. The Ghana Meteorological Agency releases 12-hourly and 24-hourly weather forecast for the regions across the country to various stakeholders as guide for their planning purposes.

Billet exports down sharply

Billet exports to major markets in Asia deceased by almost 60% from 9,219 cu.m in the first quarter 2022 to 3,701 cu.m in the first quarter this year. This is was reported in the first quarter statistics report published by the Timber Industry Development Division (TIDD) of the Forestry Commission (FC).

The research and statistics unit of the TIDD is responsible for the capturing and compilation of timber wood products exported from country. Reports from the data are tabulated and published monthly for planning and decision-making processes.

Of the ten wood products exported during the first quarter of 2023 air-dried sawnwood accounted for 53% (40,346 cu.m) which was only about half of total export volumes for the period (76,779cu.m) while billet exports accounted for around 5% (3,701cu.m).

Wood products export volumes

	Vol (cu.m)		
Product	**Q1 2022**	**Q1 2023**	**% Growth**
AD sawnwood	33,040	40,346	**22%**
KD sawnwood	9,726	10,130	**4%**
Plywood (Overland)	13,680	7,635	**-44%**
Sliced Veneer	1,992	1,632	**-18%**
Billets	9,219	3,701	**-60%**
Mouldings	2,320	2,956	**27%**
Rotary Veneer	2,320	2,471	**7%**
Plywood	1,658	3,969	**139%**
AD Boules	753	246	**-67%**
Briquettes	140	405	**189%**
Total	74,853	76,779	**3%**

Data source: TIDD

The drop in volume of billets affected the corresponding revenue earned for the period, by close to 58%.

Ghana's revenue generated from wood product exports in the first quarter of 2023 increased 15% to Euro 34.46 million compared to the same period last year. The corresponding export volume for the period was 76,779 cu.m this year compared to 74,853 cu.m last year.

Wood product export earnings

	Val (Eur'000)		
Product	Q1 2022	Q1 2023	% Growth
AD sawnwood	12,607	16,187	**28%**
KD sawnwood	5,614	6,444	**15%**
Plywood (Overland)	2,686	2,927	**9%**
Sliced Veneer	2,398	2,039	**-15%**
Billets	2,800	1,177	**-58%**
Mouldings	1,753	1,894	**8%**
Rotary Veneer	1,008	1,229	**22%**
Plywood	580	1,194	**106%**
AD Boules	545	199	**-63%**
Briquettes	45	78	**73%**
Total	30,036	34,456	**15%**

Data source: TIDD

Air and kiln dried sawnwood accounted for 66% of the total value of wood exports for the first quarter while the contribution by plywood exports was 8.5%, seven other products contributed the balance.

Ghana will need billions for climate change adaption

The Minister of Finance and Economic Planning, Ken Ofori-Atta, has said the country will need over US$10 billion to effectively implement its climate change adaptation action plans.

Speaking at the first workshop on the 'Global Shield against Climate Risks and Global Risk Modelling Alliance' the Minister said, given the cost of actions needed it was critical to have an innovative climate financing mechanism so that adaptation plans can be implemented.

Under the country's Nationally Determined Contributions (NDCs) some US$4.2 billion, representing 34% of the total, needs to be raised at the national level while the balance has to be raised from international sources.

The NDCs are countries' self-defined national climate pledges under the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC) detailing what they will do to help meet the goal of limiting global warming to 1.5 degrees Celsius as well as adapt to climate impacts and ensure sufficient finance to support these efforts.

Source: https://www.graphic.com.gh/business/business-news/climate-change-adaptation-action-plans-will-cost-ghana-12-5bn-ofori-atta.html
and
https://myjoyonline.com/ghana-lost-18000-hectares-of-primary-forest-in-2022

In a related development, data from the World Resources Institute's (WRI) Global Forest Watch (GFW) platform indicates that Ghana has lost about 18,000 hectares of primary forest in 2022, close to a 70% increase from that of 2021

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	850
Niangon Kiln dry	910

Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	385	441
Chenchen	477	612
Ogea	513	590
Essa	648	722
Ofram	350	435

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
FAS 25-100mmx150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	465	564
Ceiba	290	311
Dahoma	452	553
Edinam (mixed redwood)	640	721
Emeri	660	779
African mahogany (Ivorensis)	599	896
Makore	560	885
Niangon	800	855
Odum	570	1,004
Sapele	770	824
Wawa 1C & Select	454	520

Export sliced veneer

Sliced face veneer	FOB Euro per cu.m
Asanfina	1.133
Avodire	2,999
Chenchen	1.131
Mahogany	1,762
Makore	1,046
Odum	2,315
Sapele	1,574

Export plywood prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	501	580	641
6mm	412	535	604
9mm	320	504	560
12mm	758	476	480
15mm	450	385	430
18mm	460	444	383

Grade AB/BB would attract a premium of 10%, B/BB 5%, C/CC 5% and CC/CC 10%.

Malaysia

Study suggests bleak outlook for furniture exports

Hong Leong Investment Bank (HLIB) Research is reported as saying the outlook for the Malaysian furniture market remains bleak as the sector's largest export destination, the US, continues to experience housing issues.

According to the research firm the US housing market began to cool following the start of the Federal Reserve's interest rate increases in 2022 as mortgage payments began to rise. The HLIB commented that housing starts have stalled and existing homeowners are reluctant to sell as many have low interest rate mortgages which they could loose if they were to sell.

The Malaysian Timber Council reported that wooden furniture exports in the first four months of 2023 declined by almost 40%. Singapore, Malaysia's second largest export market for wooden furniture, increased imports in early 2023 helping to offset some of the decline in US imports.

See: https://www.thestar.com.my/business/business-news/2023/07/07/malaysia039s-furniture-exports-slump-on-slow-us-housing-demand

Forest loss remained low in 2022

A report by the World Resources Institute and the University of Maryland's Global Forest Watch noted that Malaysia had managed to keep its rate of primary forest loss to near-record low levels.

The WRI report says "In Malaysia, primary forest loss remained low in 2022 and has leveled off in recent years. Corporate and government action also appear to be contributing. No Deforestation, No Peat and No Exploitation (NDPE) commitments now cover the majority of the palm oil sector and in 2018 the Roundtable on Sustainable Palm Oil (RSPO) strengthened its certification requirements. In addition, the Malaysia Sustainable Palm Oil (MSPO) Board was formed in 2015 to certify sustainably grown palm oil.

In 2017 the government of Malaysia mandated MSPO certification starting in 2020. Positive government action has continued in more recent years, with a plantation area cap established in 2019 through 2023 and new forestry laws enacted in 2022 to stiffen penalties for illegal logging".

In a statement the Natural Resources, Environment and Climate Change Ministry explained that achieving reduced deforestation was due to a number of initiatives including law enforcement, the adoption of certification in the palm oil industry, the Ecological Fiscal Transfers (EFTs) for Biodiversity Conservation initiative which is being promoted nationwide.

See: https://research.wri.org/gfr/latest-analysis-deforestation-trends
and
https://www.thestar.com.my/news/nation/2023/07/02/kudos-for-forest-protection

Encouraging communiy involvement in forest conservation

Sabah Chief Minister, Hajiji Noor, wants the State Forestry Department to include a new classification of forest reserve for the community in the Forest Enactment 1968. This is to encourage the local communities to get involved in forest conservation efforts, in addition to future settlement consideration for them according to their needs and suitability.

See:
https://www.dailyexpress.com.my/news.cfm?NewsID=215592

Preparing for the use of bamboo in the construction industry

The Biotechnology Research Institute at the University Malaysia, Sabah has worked on bamboo tissue culture to create bamboo for the use in development of construction materials. The research team at BRI is perfecting cultivation of giant timber bamboo species, notably Dendrocalamus asper (Betung Bamboo) and Gigantochloa levis (Poring Bamboo). These bamboo varieties possess exceptional strength, durability and rapid growth rates making them suitable for use in construction.

The Sabah media says the widespread use of bamboo in the construction industry has the potential to significantly reduce carbon emissions associated with resource intensive materials while simultaneously contributing to the preservation of forests.

See:
http://theborneopost.pressreader.com/article/281719799022186

Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in Malaysia.

See: https://www.itto-ggsc.org/static/upload/file/20230714/1689299252208888.pdf

Indonesia

EU and domestic regulations could weaken furniture exports

The combined impact of the EUDR and the Indonesian government's legality verification system (SVLK) could potentially hurt the domestic furniture industry and erode Indonesia's furniture export competitiveness according to Abdul Sobur, chairman of the Indonesian Furniture and Handicraft Industry Association (Himki).

When the EUDR is implemented this will add to production and delivery costs and if prices do not rise then eventually the regulations will weaken Indonesia's competitiveness, Abdul said. He added, unnecessary costs must be eliminated as restrictive regulations could hamper the target to achieve US$5 billion in furniture exports.

See: https://jakartaglobe.id/business/overlapping-deforestation-laws-in-eu-indonesia-hurt-furniture-exports
and
https://investor.id/business/331929/tumpang-tindih-regulasi-tekan-ekspor-furnitur-nasional

In related news, the Director General of Agro-Industry at the Ministry of Industry (Kemenperin), Putu Juli Ardika, denied that the EUDR will negatively impact exports of products from Indonesia as, according to him, “the majority of exporters already have certificates meeting EU standards ensuring the manufacturing process for exported products does not damage the forest.

See: https://www.msn.com/id-id/ekonomi/bisnis/uu-anti-deforestasi-disebut-hambat-ekspor-%20%20komoditas-indonesia-kemenperin-dampaknya-tidak-signifikan/ar-AA1chUTK

Coordinating Minister of Economic Affairs, Airlangga Hartarto, has said that Indonesia has 18 months remaining to act before the implementation of the EUDR adding that the regulation would label products as originating from high-risk, standard or low-risk countries.

He said Indonesian commodities potentially impacted by the EUDR include palm oil and derivatives, coffee, soya, cocoa, beef and wood products.

Deforestation rate in 2022, a steady decline

The Minister of Environment and Forestry, Siti Nurbaya, reported Indonesia's deforestation rate in recent years to the House of Representatives. According to the Minister, Indonesia's deforestation rate continues to decline year by year. She revealed that in 2015 Indonesia's deforestation rate was recorded at 1.09 million hectares but it had fallen to 460,000 hectares in 2019.

The rate of deforestation fell again in 2021 to 110,000 hectares. The Minister revealed that in 2022 deforestation extended over 107,000 hectares. She explained that, to monitor deforestation, the Directorate General of Forestry Planning and Environmental Management has developed a National Forestry Monitoring System (Simontana) that records the condition of Indonesia's forests.

See: https://forestinsights.id/laju-deforestasi-indonesia-tahun-2022-menteri-lhk-angkanya-terus-menurun/

Social forestry creating economic growth in villages

The Minister of Environment and Forestry has said that the concept of social forestry, which gives communities the right to manage forests in a sustainable manner, can create economic growth in villages. Communities can secure social forestry management rights through five schemes: village forest management schemes, community forestry, community plantation forestry, customary forest and partnership schemes.

The Minister said that social forestry has also expanded to the downstream sector so that communities can now develop into productive communities.

See: https://en.antaranews.com/news/285111/social-forestry-creating-new-economic-growth-in-villages-minister

Seek export opportunities from US-China trade dispute

Indonesia must optimise opportunities arising from the ongoing trade dispute between the United States and China according to the Coordinating Minister for Economic Affairs, Airlangga Hartarto. He said that Indonesia has become a member of the first regional cooperation group to focus on supply chain issues namely the Indo-Pacific Economic Framework (IPEF).

The other IPEF members include Brunei, Fiji, Singapore, Thailand, Malaysia, Vietnam, Australia, India, Japan, New Zealand, South Korea, the Philippines and the United States.

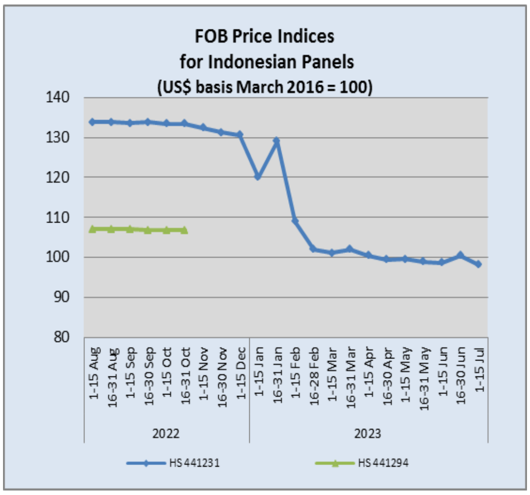
IPEF member countries have committed to realising economic cooperation involving the private sector as well as implementing technical assistance and capacity-building programmes.

See: https://en.antaranews.com/news/285141/indonesia-must-take-advantage-of-us-china-trade-war-minister

Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in Indonesia.

See: https://www.itto-ggsc.org/static/upload/file/20230714/1689299252208888.pdf



Data source: License Information Unit. http://silk.dephut.go.id/

Myanmar

Indications of decline in timber exports

For the first quarter of 2023-24 timber export earnings have been reported at US$17.3 million which is about half of the value in the same period of 2022-23 (US$34.5 million) according to to lcal media, Eleven News.

In the last financial year timber exports were in fifth position in export rank at US$140 million after manufactured products (including garments) and agricultural, mineral and maritime products. Wood product exporters say order levels have fallen as many previous buyers of Myanmar wood products have withdrawn their business.

Foreign investment declines sharply

Foreign investment in Myanmar fell 60% in the first quarter of this year compared to the same quarter in 2022 according to figures from the Directorate of Investment and Company Administration (DICA).

In the first quarter the Myanmar Investment Commission approved US$178 million in foreign investment, down from US$402 million in the same period last year, which was down 50% from the first quarter 2021.

In FY2022-23, the first full fiscal year during which the current government had control of the economy, Myanmar received only US$1.6 billion of foreign investment with Singapore being the biggest investor. China and Thailand were the second and third largest investors.

The reasons for the decline in FDI are said to be political instability, management of the financial sector as well as infrastructure issues especially power supplies.

The World Bank said in its Myanmar Economic Monitor that even though there were signs of a pick-up in domestic investment in the second half of 2022 foreign investment remains weak and GDP for this year, while expanding a modest 3%, would be 13% lower than it was in 2019.

See: https://www.irrawaddy.com/business/economy/foreign-investment-in-myanmar-plunges-60-on-year-in-first-quarter.html

Micro finance lender withdrawing from Myanmar

Myanmar's largest micro lender, Pact Global Microfinance Fund (PGMF), is closing its operations in Myanmar saying demands by the government had made it impossible to continue its efforts to serve low-income households, including those with no access to the formal banking system.

PGMF is the microfinance unit of PACT, an international nongovernmental organisation. PGMF said new regulations, as well the demands of the regime to hand over its assets, made it impossible to continue operating in Myanmar.

PGMF announced its closure after forgiving more than US$156 million in outstanding loans to 890,000 borrowers and setting aside money to repay investors. The fund has been providing micro loans, primarily to women in rural areas for more than 25 years.

See: https://www.irrawaddy.com/news/burma/myanmar-junta-drives-largest-micro-lender-out-of-business.html

India

Innovation and worker productivity key to growth

Goldman Sachs Research has produced long-term forecasts for India's economy saying the country has made stunning progress in innovation and technology and while the country has demographics to drive growth that will not be the only driver.

According to Goldman Sachs "innovation and increasing worker productivity are going to be important for the world's fifth-biggest economy. In technical terms, that means greater output for each unit of labour and capital in India's economy".

See:https://www.goldmansachs.com/intelligence/pages/how-india-could-rise-to-the-worlds-second-biggest-economy.html
and
https://www.goldmansachs.com/intelligence/index.html

India poised to sustain growth

The annual Economic Review for 2022-23, released by the Finance Ministry points out the country's impressive growth experienced in 2022-23 when most of the world economy was experiencing inflation and restrained by monetary tightening.

The report says "Strong balance sheets and digital advancements could lead to better credit decisions allowing India's financial cycle to sustain for longer periods before encountering the challenge of bad debts. Thus, India appears poised to sustain its growth in a more durable way than before."

The Review said that inflation emerged as the major challenge in 2022-23 for India as it did for the rest of the world following the Russian invasion of Ukraine and the impact of climate change.

See:
https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf
and
https://themeghalayan.com/strength-of-domestic-demand-works-for-economy-india-poised-to-sustain-growth-momentum-economic-review/

Indian furniture market drivers – two new reports

Two recent reports address furniture market trends in India. The IMARC report suggests the construction industry and development of smart city projects represent one factor influencing the furniture market. Also, the integration of advanced technologies, such as artificial intelligence, machine learning, internet of things, 3D printing, virtual reality and augmented reality in furniture manufacturing could transform production.

Rising standards of living and the associated demand for quality furniture will be another major factor along with expansion of the e-commerce sector.

See:https://www.imarcgroup.com/india-furniture-market

A media release from Mordor Intelligence on its report "Furniture industry in India, size, share analysis - growth trends and forecasts (2023 - 2028)" says the India furniture market size in 2023 is estimated at US$15.79 billion and is expected to reach US$26.85 billion by 2028

Mordor points out that the Indian furniture market has changed, expanding beyond chairs and tables to include designed interiors.

The growing middle-class, rising disposable income and the growing number of urban homes contribute to the expansion of demand for furniture.

Demand for furniture is also driven by the tourism and hospitality industry and the corporate sector. The increasing number of hotels and business offices further spurs demand for furniture in the country.

The pandemic had a serious impacted due to restrictions and lockdowns and the manufacturing index drastically declined in early 2020, however, the furniture industry bounced back in later half of 2020.

See:https://www.mordorintelligence.com/industry-reports/india-furniture-market

Rupee slips against the US dollar
The Indian rupee weakened early July on dollar demand from importers. The rupee was at 82.51 to the US dollar in early July and this has pushed up import costs. The weakness in the rupee was also in response to the US Federal Reserve maintaining a hawkish stance on interest rates. The rupee depreciated to Rs 82.51.

See: https://www.bqprime.com/markets/indian-rupee-opens-weak-against-the-us-dollar-5

Home building for rural India
The latest United Nations (UN) report on population suggests that India's urban population will take over the rural population by the end of 2050. However, data on population distribution within the country shows that the majority of Indians still live in rural areas (65%) despite increasing rural-urban migration. It has been suggested that housing design and building technologies suitable must be examined in terms of architecture appropriate in rural areas.

See:https://www.archdaily.com/tag/united-nations

Forest clearing for infrasture development
Over the past five years India diverted over 88,903 hectares of forest land – more than the areas of Mumbai and Kolkata put together – for non-forestry purposes with the highest of 19,424 hectares being for road construction followed by 18,847 hectares for mining, 13,344 hectares for irrigation projects, 9,469 hectares for transmission lines and 7,630 hectares for defence projects, the government has said.

Junior Environment Minister, Ashwini Kumar Choubey said the Centre allowed these diversions for various development works under the provision of the Forest (Conservation) Act, 1980.

See: https://timesofindia.indiatimes.com/india/89k-hectares-of-forest-land-diverted-for-development-projects-in-5-years/articleshow/99309089.cms

Import update

Teak log prices, C&F US$/Hoppus cu.m

	Hoppus cu.m	US$ C&F
Brazil	124	277
Colombia	103	312
Costa Rica	88	225
Ecuador	113	238
Ghana	109	278
Ivory Coast	85	499
Nigeria	136	269
South Sudan	-	-
Tanzania	105	287
Laos	119	278

Teak sawnwood prices, C&F US$/cu.m

	cu.m	US$ C&F
Benin	92	610
Brazil	101	366
Colombia	125	335
Costa Rica	90	289
Ecuador	169	530
Ghana	143	334
Ivory Coast	-	-
Nigeria	109	347
South Sudan	113	338
Tanzania	134	343
Togo	104	342
Venezuela	119	417

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,000 - 4,300
Balau	2,700 - 3,000
Resak	-
Kapur	-
Kempas	1,455 - 1,750
Red meranti	1,700 - 2,000
Radiata pine	900 - 1,050
Whitewood	900 - 1,050

Price range depends mainly on lengths and cross-section

Sawn hardwood prices

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,500 - 1,600
Sycamore	1,900 - 2,000
Red Oak	1,800 - 2,000
White Oak	2,200 - 2,500
American Walnut	4,500 - 5,000
Hemlock STD grade	1,350 - 1,600
Western Red Cedar	2,220 - 2,450
Douglas Fir	2,200 - 2,400

Price range depends mainly on lengths and cross-sections

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	80.00
6mm	92.00
9mm	109.00
12mm	132.00
15mm	170.00
18mm	187.00

Domestic ex-warehouse prices for locally manufactured MR plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	55.00
6mm	70.00
9mm	81.00
12mm	96.00
15mm	129.00
19mm	138.00
5mm Flexible ply	87.00

Vietnam

Wood and Wood product (W&WP) trade highlights

In June 2023 W&WP exports reached US$1.2 billion, up 14% compared to May 2023 but down 15% compared to June 2022. WP exports, alone accounted for US$868 million, up 14% compared to May 2023 but down 7% compared to June 2022.

In the first 6 months of 2023 W&WP exports totalled US$6.2 billion, year-on-year down 27%. The export of WPs contributed US$4.2 billion, down 30% over the same period in 2022.

Vietnam's imports of logs and sawnwood in June 2023 amounted to 569,000 cu.m worth US$199.2 million, up 25% in volume and 25% in value compared to May 2023. Compared to June 2022 imports were up 3% in volume but down 12% in value.

In the first 6 months of 2023 imports of logs and sawnwood are estimated at 2,177 million cu.m, worth US$777.6 million, down 25% in volume and 31% in value over the same period in 2022.

Vietnam's exports of NTFPs (rattan, bamboo and other minor NTFPs) in May 2023 reached US$61,835 million, down 1.5% compared to April 2023 and down 12% over the same period in 2022. Over the first 5 months of 2023, Vietnam's NTFP exports totalled US$289.93 million, down 30% over the same period in 2022.

W&WP exports to the US in June 2023 reported at US$628.3 million, down 18% compared to June 2022. In the first 6 months of 2023 W&WP exports to the US are estimated at US$3.3 billion, down 33% over the same period in 2022.

In June 2023 exports of kitchen furniture stood at US$100.5 million, down 23% compared to June 2022. In the first 6 months of 2023 exports of kitchen furniture totalled US$521.6 million, year-on-year down 26%.

W&WP exports in May and over 5 months of 2023 by product categories

Product	5/2023 (US$1,000)	Compared to 5/2022 (%)	5 months 2023 (US$1,000)	Growth (%)	Share (%) 5 months 2023	Share (%) 5 months 2022
Total	**1,051,381**	**-24.6**	**4,960,136**	**-29.4**	**100.0**	**100.0**
Wooden seat	229,928	4.3	1,061,407	-26.7	21.4	20.6
Woodchip	134,268	-39.7	825,968	-8.3	16.7	12.8
Guess-room & dining-room furniture	105,577	-60.0	750,122	-45.9	15.1	19.7
Wood-based panels & floorings	151,440	-22.8	653,057	-27.2	13.2	12.8
Bed-room furniture	102,586	-49.0	581,416	-45.7	11.7	15.3
Kitchen furniture	100,644	-20.3	421,050	-26.7	8.5	8.2
Wood pellet	43,414	-32.2	255,881	-14.7	5.2	4.3
Office furniture	22,126	-27.7	99,202	-36.8	2.0	2.2
Door	3,923	-34.6	15,586	-28.0	0.3	0.3
Handicraft	1,981	-46.7	9,621	-31.5	0.2	0.2
Mirror frame	178	-71.6	1,067	-58.7	0.0	0.0

Source: Vietnam General Department of Customs

W&WP exports by key markets in May and over 5 months of 2023

Market	5/2023 (US$1,000)	Compared to 5/2022 (%)	5 months 2023 (US$1,000)	Growth (%)	Share (%) 5 months 2023	Share (%) 5 months 2022
Total	**1,051,381**	**-24.6**	**4.960.136**	**-29.4**	**100.0**	**100.0**
US	629,148	-18.1	2.646.017	-35.6	53.3	58.5
Japan	122,397	-7.8	677.815	-0.2	13.7	9.7
China	103,278	-46.7	586.219	-20.2	11.8	10.5
South Korea	55,211	-41.1	325.312	-27.8	6.6	6.4
EU	29,384	-47.4	180.850	-43.3	3.6	4.5
France	*7,156*	*-37.7*	*42.065*	*-31.8*	*0.8*	*0.9*
Germany	*3,729*	*-62.1*	*27.546*	*-57.3*	*0.6*	*0.9*
Netherland	*2,613*	*-63.5*	*26.082*	*-46.3*	*0.5*	*0.7*
Belgium	*3,308*	*-49.0*	*17.405*	*-48.9*	*0.4*	*0.5*
Spain	*4,188*	*-1.5*	*15.952*	*-16.9*	*0.3*	*0.3*
Denmark	*1,594*	*-52.8*	*11.611*	*-50.2*	*0.2*	*0.3*
Italia	*1,460*	*-6.4*	*7.733*	*-41.5*	*0.2*	*0.2*
Sweden	*1,119*	*-60.6*	*7.340*	*-50.8*	*0.1*	*0.2*
Ireland	*1,818*	*-11.0*	*7.296*	*-37.6*	*0.1*	*0.2*
Poland	*1,112*	*-74.8*	*6.959*	*-50.3*	*0.1*	*0.2*
Rumani	*310*	*-51.6*	*2.603*	*-22.8*	*0.1*	*0.0*
Portugal	*203*	*-77.8*	*2.147*	*-21.3*	*0.0*	*0.0*
Greece	*166*	*-27.3*	*1.845*	*-8.3*	*0.0*	*0.0*
...						
Canada	15,748	-28.0	75.771	-31.9	1.5	1.6
UK	15,661	-15.1	75.984	-36.3	1.5	1.7
Malaysia	10,407	-32.3	56.581	-11.8	1.1	0.9
Australia	10,582	-36.0	46.320	-42.7	0.9	1.2
Indonesia	9,190	107.9	38.477	219.4	0.8	0.2
India	7,818	362.8	28.986	205.1	0.6	0.1
Taiwan	4,658	-44.1	28.823	-20.1	0.6	0.5
Thailand	4,691	-15.0	23.908	-15.2	0.5	0.4
Singapore	3,006	-16.6	15.483	-15.2	0.3	0.3
Saudi Arabia	2,466	-40.5	13.676	-18.1	0.3	0.2
Mexico	3,291	19.7	12.027	-1.8	0.2	0.2
Cambodia	2,659	29.6	11.721	16.2	0.2	0.1
Turkey	1,259	380.2	7.339	380.8	0.1	0.0
UAE	1,810	-34.9	6.419	-41.7	0.1	0.2
Philippines	1,130	-39.2	5.936	-20.3	0.1	0.1
New Zealand	1,313	-43.2	6.107	-45.6	0.1	0.2
Chile	1,158	2.1	5.256	-33.7	0.1	0.1
Puerto Rico	1,222	52.0	3.789	-27.7	0.1	0.1

Source: Vietnam General Department of Customs

Domestic wood harvest and reforestation

In the first 5 months of 2023 the newly planted forest area is estimated at 97,900 ha, up 2.5% over the same period last year whilst the number of newly planted scattered trees reached 41.7 million stems, up 5%. The volume of wood harvested from concentrated commercial plantations is reported at 6.6 million cu.m, up 3.3%.

In this period, 886.7 ha of forests have been destroyed, up 78% over the same period last year. Of this, the area of forests damaged by illegal cutting and clearing accounted for 444.5 ha, down 1.4%, while the area of burnt forests is 422.2 ha, 11.7 times higher year-on-year.

Vietnam's wood raw material suppliers

In the first 5 months of 2023 the volume of logs and sawnwood imported from major sources such as EU, Cambodia, China, Thailand, Laos, Chile, Brazil, New Zealand dropped against the same period in 2022, whilst imports from other markets, including the US, Malaysia, Angola, Indonesia, Canada, Namibia increased.

Imports from the EU accounted for 15% of total imports reaching 264,700 cu.m, worth US$81.0 million, down 14% in volume and 20% in value over the same period in 2022.

Imports of logs and sawnwood from Cameroon decreased by 2.5% in volume but were up 3% in value over the same period in 2022, reaching 225,500 cu.m, worth US$99.4 million, accounting for 13% of total imports.

Imports from Chinat decreased by 38% in volume and 45% in value over the same period in 2022 reaching 203,000 cu.m, worth US$98.0 million and accounted for 11% of total log and sawnwood imports.

Imports of logs and sawnwood from some suppliers decreased against the same period in 2022 (from Thailand 10%; Laos by 19%; Chile by 30%; Brazil by 54%; New Zealand by 24% and Congo by 32%).

However, imports of logs and sawnwood from the US market increased by 2.4% in volume but down 9% in value over the same period in 2022 reaching 216,300 cu.m, worth US$93.0 million and accounted for 12% of total imports.

Increased imports in the first 5 months of 2023 came from Malaysia (34% up); Angola (15% up); Indonesia (64% up); Canada (6%); Namibia (49%).

Sawnwood and log imports

Lumbers/logs	5 months 2023			Against 2022 (%)		
	Volume (m^3)	Value ($1,000)	Unit price ($/m³)	Volume	Value	Price
Lumber	744.374	301.489	405,0	-25,9	-31,9	-8,1
Log	659.745	188.745	286,1	-18,5	-22,3	-4,7

Source: Vietnam General Department of Customs

Fluctuation of import price

In the first 5 months of 2023 the price of logs and sawnwood imported into Vietnam averaged at US$359.2/cu.m, down 6.7% over the same period in 2022.

In particular, the price of logs and sawnwood from the EU decreased by 6.4% over the same period in 2022, to US$306/cu.m; from the US prices fell 11% to US$430.6/cu.m; from China 11%, to US$482.4/cu.m; Laos 11%, to US$479.6/cu.m.

Looking ahead

Vietnam's exports of wood and wood products in the first 6 months of this year plummeted by 279% over the same period in 2022, with the total export value falling to US$6.2 billion. The reasons behind the worsened situation of Vietnam's W&WP trade is attributed to the downturn of the global economy, the impacts of inflation and rising interest rate in major markets for wooden furniture from Vietnam.

Trade protection countermeasures (antidumping/subsidy and countervailing investigations and possible duties imposed on W&WP exported from Vietnam) has accelerated the hardship of Vietnamese entrepreneurs

Due to the shortage of customer orders many Vietnamese wood operators have to reduce production and reduced the workforce.

There are, however, signals of improvement. The growth rate of W&WP export earnings from the US market in June is minus 18% instead of the minus 27% over the first 6 months of 2023. The drop of W&WP exports seems to have reached the bottom and Vietnamese wood businesses are expecting more orders in the second half and into the beginning of next year.

Accelerated market promotion through trade fairs, technology innovation to upgrade business efficiency, improved business governance, building capacity to reduce trade protection risks, better utilisation of FTAs and a radical shift towards green trade and green growth, are seen as key remedies to overcome the current problems associated with global market weakness.

Vietnam's W&WP exports to the US declining

The US has consistently accounted for around half of Vietnam's W&WP exports so the decline in US demand has impacted the entire wood sector in Vietnam.

W&WPs exported from Vietnam to the US in May and over 5 months of 2023

Categories	5/2023 (US$1,0000)	Against 5/2022 (%)	5 months2023 (US$1,000)	Year-on-year Growth (%)	Share (%)	
					5 months 2023	5 months 2022
Total	**629,148**	**-18.1**	**2.646.017**	**-35.6**	**100.0**	**100.0**
Wooden furniture	450,149	-30.4	2.249.527	-37.6	85.0	87.8
Wooden seat	*190,443*	*15.9*	*848.473*	*-26.1*	*32.1*	*28.0*
Guess-room & dining-room furniture	*76,491*	*-60.6*	*529.939*	*-47.4*	*20.0*	*24.5*
Bed-room furniture	*81,406*	*-50.3*	*460.027*	*-47.3*	*17.4*	*21.3*
Kitchen furniture	*87,673*	*-17.2*	*350.924*	*-26.4*	*13.3*	*11.6*
Office furniture	*14,136*	*-23.0*	*60.163*	*-39.2*	*2.3*	*2.4*
Wood-based panels & floorings	*52,097*	*-43.6*	*198.050*	*-49.1*	*7.5*	*9.5*
Door	*2,488*	*-15.3*	*8.460*	*-38.4*	*0.3*	*0.3*
Handicraft	*881*	*14.1*	*3.501*	*-21.0*	*0.1*	*0.1*
Mirror frame	*131*	*-76.6*	*800*	*-61.7*	*0.0*	*0.1*

Source: Vietnam General Department of Customs

Exports of kitchen furniture plummeting

Although there are signs of recovery in the world economy and that of key markets for made-in-Vietnam kitchen furniture there are still acute problems. However, the kitchen furniture market is expected to recover from the second half of 2023 as stocks in major consuming countries, especially the US, are declining.

Export categories

In the first 5 months of 2023 amongst kitchen furniture categories kitchen cabinets were the main product accounting for US$343.8 million, down 26% over the same period in 2022. Kitchen cabinets from Vietnam are mainly exported to the US (94%) followed by Japan, Canada, UK and Australia.

Kitchen appliances are the second largest categories with exports at US$42 million, down 182% over the same period in 2022. Household appliances used in the kitchen are mainly exported to Japan, USA, Korea and the EU.

In the first 5 months of 2023, along with above-mentioned items, there are a number of kitchen items being exported including kitchen tables (US$24.8 million, down 46% over the same period in 2022); kitchen shelves (US$4.6 million, down 31%). In contrast exports of kitchen chairs surged to US$2.3 million.

Exports of kitchen furniture items in May and over 5 months of 2023

Commodities	5/2023 (US$1,000)	Against 5/2022 (%)	5 months of 2023 (US$1,000)	Growth (%)	Share (%)	
					5 months 2023	5 months 2022
Total	**100.644**	**-20,3**	**421.050**	**-26,7**	**100,0**	**100,0**
Kitchen cabinet	83.503	-20,3	343.825	-26,1	81,7	81,0
Household appliance	8.099	-20,6	42.028	-18,2	10,0	8,9
Kitchen table	5.203	-40,8	24.795	-46,2	5,9	8,0
Shelf	856	-43,3	4.569	-30,8	1,1	1,1
Kitchen seat	1.917	2731,4	2.282	169,5	0,5	0,1
Kitchen shelf	558	82,7	1.381	-17,6	0,3	0,3
Kitchen trolley	31	-79,7	439	-52,0	0,1	0,2

Source: Vietnam General Department of Customs

Vietnam's kitchen furniture exports by markets in May and over 5 months of 2023

Market	5/2023 (US$1,000)	Against 5/2022 (%)	5 months of 2023 US$1,000)	Growth (%)	Share (%)	
					5 months 2023	5 months 2022
Total	**100.644**	**-20.3**	**421.050**	**-26.7**	**100.0**	**100.0**
US	87.673	-17.2	350.924	-26.4	83.3	83.0
Japan	5.470	-21.5	29.245	-18.4	6.9	6.2
South Korea	2.051	-47.3	11.519	-41.7	2.7	3.4
EU	1.323	-11.2	6.655	-33.6	1.6	1.7
Germany	*593*	*61.4*	*2.155*	*-11.4*	*0.5*	*0.4*
France	*340*	*11.3*	*1.986*	*-20.1*	*0.5*	*0.4*
Sweden	*8*	*-92.3*	*428*	*54.2*	*0.1*	*0.0*
Netherland	*24*	*-92.8*	*392*	*-69.9*	*0.1*	*0.2*
Denmark	*53*	*-54.5*	*352*	*-41.3*	*0.1*	*0.1*
Italia	*34*	*193.7*	*307*	*-2.6*	*0.1*	*0.1*
Ireland	*66*	*-58.0*	*276*	*-58.6*	*0.1*	*0.1*
Belgium	*79*	*76.5*	*248*	*-79.7*	*0.1*	*0.2*
Spain	*46*	*1028.8*	*247*	*-43.2*	*0.1*	*0.1*
Poland	*44*	*51.3*	*119*	*-26.0*	*0.0*	*0.0*
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Arab Saudi	290	14.6	4.067	132.7	1.0	0.3
UK	629	-28.6	3.638	-64.0	0.9	1.8
Canada	665	105.1	2.606	-2.2	0.6	0.5
China	536	-86.2	2.296	-61.7	0.5	1.0
India	385	-6.7	1.559	9.5	0.4	0.2
Egypt	35	-93.4	1.432	-28.3	0.3	0.3
Taiwan	319	11.3	1.224	-24.1	0.3	0.3
Australia	194	-40.1	1.140	-34.5	0.3	0.3
Thailand	7	-93.7	620	-15.0	0.1	0.1
Iraq	255	382.5	478	568.9	0.1	0.0
Chile	33	2954.5	476	218.4	0.1	0.0
UAE	109	17.7	423	-19.6	0.1	0.1
Malaysia	49	-46.7	264	-22.9	0.1	0.1
Singapore	39	116.7	232	247.7	0.1	0.0
Mexico	79	85.1	186	-29.5	0.0	0.0

Source: Vietnam General Department of Customs

Africa the top supplier of padouk

Vietnam's padouk imports from Africa accounted for 85% of total padouk imports in the first 5 months of 2023, up 1.9% in volume over the same period in 2022, reaching 46,900 cu.m. worth US$14.4 million.

According to preliminary statistics, Vietnam's padouk imports in June 2023 reached 9,100 cu.m, worth US$4.0 million, up 0.5% in volume and 2% in value compared to May 2023. Compared to June 2022 imports decreased by 2.5% in volume and 0.3% in value.
Over the first 6 months of 2023, padouk imports amounted to 64,000 cu.m, worth US$24.9 million, down 9.5% in volume and 21% in value over the same period in 2022.

In the first 5 months of 2023 Vietnam imported 49,400 cu.m of padouk sawnwood worth US$19.0 million, down 0.3% in volume and 18% in value over the same period in 2022. Import volumes of padouk logs stood at 5,600 cu.m, worth US$2.0 million, down 53% in volume and 55% in value over the same period in 2022.

Lumber/log	5 months 2023			Year-on-year growth		
	Volume (m^3)	Value (US$1,000)	Unit price (US$/$m^3$)	Volume	Value	Unit price
Lumber	49.418	18.964.469	383,8	-0,3	-18,0	-17,7
Log	5.581	1.997.215	357,9	-52,9	-55,3	-5,1

Source: Vietnam General Department of Customs

Price fluctuations

Statistics show that the average import price of padouk wood in the first 5 months of 2023 stood at US$381./cu.m, down 15.1% over the same period in 2022.

The import price of padouk wood from Africa dropped by 2% over the same period in 2022 down to US$306/cu.m; from Laos down 7% to US$1.074.5/cu.m; from Thailand down 18% to US$460.2/cu.m; from Papua New Guinea down 0.4% to US$330.0/cu.m and from China down 27% to US$280.0/cu.m.

Padouk supply countries in 5 months of 2023

Countries	5 months 2023			Year-on-year change (%)			Share by volume (%)	
	Volume (m³)	Value (US$1,000)	Unit price (US$/m³)	Volume	Value	Unit price (US$/m3)	5 months 2023	5 tmonths 2022
Total	**55.022**	**20.978.111**	**381.3**	**-10.4**	**-24.0**	**-15.1**	**100.0**	**100.0**
Africa	**46.910**	**14.355.229**	**306.0**	**1.9**	**0.0**	**-1.8**	**85.3**	**75.0**
Angola	17.919	5.110.139	285.2	152.5	156.4	1.5	32.6	11.6
S Africa	14.804	4.286.100	289.5	-22.5	-18.0	5.8	26.9	31.1
Namibia	7.082	2.185.210	308.6	57.6	81.7	15.3	12.9	7.3
Cameroon	3.493	1.340.709	383.8	-54.5	-58.6	-8.9	6.3	12.5
Congo	972	443.881	456.8	-62.3	-60.5	4.8	1.8	4.2
Gabon	942	493.342	524.0	-46.3	-12.1	63.8	1.7	2.9
Equatorial Guinea	734	187.509	255.3	-51.2	-50.5	1.5	1.3	2.5
Mozambique	488	128.625	263.4	2.341.5	2.043.8	-12.2	0.9	0.0
Congo	183	104.556	571.4	-83.7	-75.0	53.1	0.3	1.8
Tuynidi	104	20.276	195.5				0.2	0.0
Seychelles	88	22.880	260.0				0.2	0.0
Zambia	61	20.002	327.4	-48.2	-32.7	29.9	0.1	0.2
Ghana	20	6.000	300.0	-50.0	7.1	114.3	0.0	0.1
Uganda	20	6.000	300.0				0.0	0.0
Laos	5.015	5.389.085	1074.5	-48.3	-51.8	-6.8	9.1	15.8
Thailand	1.924	885.183	460.2	96.5	60.4	-18.4	3.5	1.6
Tanzania	612	178.824	292.1	2961.3	3476.5	16.8	1.1	0.0
Hong Kong	506	149.500	295.5	-71.3	-69.9	4.8	0.9	2.9
Papua New Guinea	31	10.135	330.0	-97.4	-97.4	-0.4	0.1	2.0
China	20	5.600	280.0	-95.8	-97.0	-27.2	0.0	0.8
Reunion	4	4.554	1100.0					

Source: Vietnam, General Department of Customs

Brazil

New tools to track forest products

Deforestation in the Amazon reached 11,500 sq. km representing the highest deforestation rate in 15 years despite several initiatives to combat this including the development of tracking systems.

The new version of the Document of Forest Origin (DOF – Documento de Origem Florestal) system, called "DOF+ Traceability," requires the issuance of mandatory permits for the transport of forest products as well as the registration of the industrial processing units.

The key objective is to enable traceability of wood products throughout the production chain up to commercialisation and consumption to curb fraud and ensure the legality. “DOF+ Traceability” is an auditable system that allows users, research institutions and inspection/auditing agencies access to information regarding the origin of timber.

Other technologies such as stable isotope analysis, near-infrared spectroscopy and genomic identification are being developed to help in tracing the origin of timber and products and ensure their legality.

Despite these efforts there are challenges in establishing a comprehensive traceability system as document fraud can still occur and the sequential numbering on logs can be counterfeited.

Additionally, it is necessary to address the sophisticated practices of illegal loggers such as inflating timber credits and manipulating conversion coefficients at sawmills. Therefore, it is crucial to combine different tools and methodologies to ensure process transparency and improving traceability procedures.

It is also important to invest in public policies that encourage the commercial plantations of native timber species to reduce dependence on extractivism and preserve the remaining forests.

See: https://revistapesquisa.fapesp.br/novas-ferramentas-para-rastrear-produtos-florestais/

AI for forest management in the Amazon

Researchers in the Amazon region are utilising Artificial Intelligence (AI) to facilitate ecological and forest management studies. These new automated tools have been used to estimate forest biomass, carbon and commercial timber volumes in tropical forests.

AI has proven to be effective in replacing repetitive and labour-intensive tasks. The geo-referencing of areas in the Amazon is an example of a successful application of AI which assists in arduous tasks. The use of these technologies has also contributed to mapping the diversity and distribution large trees providing crucial information for the conservation and sustainable management of forest resources as well as helping in combating illegal deforestation.

A researcher of the State University of Amapá has examined the use of AI for ecological and forest management research in the Amazon. Using advanced techniques such as Random Forest Machine Learning they have developed models capable of mapping the diversity and density of large trees in the Amazon biome. They also utilise AI algorithms to estimate forest biomass, carbon and commercial timber volumes in tropical forests. These data are essential to understand the dynamics of forest ecosystems and contribute to conservation strategies and sustainable forest management.

One application is the use of AI in scenarios of climate change in the Amazon. To predict the potential distribution of large trees or rare species and their habitat according to IPPC global climate models researcher investigated how tropical forests may be affected and how adaptive resources management could be applied. This information is crucial for the development of conservation strategies and mitigation of negative environmental impacts.

See:
https://g1.globo.com/ap/amapa/natureza/amazonia/noticia/2023/06/29/inteligencia-artificial-e-usada-por-pesquisadores-do-ap-em-estudos-de-ecologia-e-manejo-florestal-na-amazonia.ghtml

Fluctuations in furniture exports

Brazilian exports of furniture and mattresses fell by 15% in April 2023 compared to the previous month and were worth US$59.0 million according to IEMI Market Intelligence.

Despite the decline the performance in April is still better than in January and February, indicating a relative improvement in exports in recent months. However, the positive results in March and April were not sufficient to reverse the sector's year to date decline.

In the first four months of 2023 furniture exports amounted to just over US$261 million, compared to US$302 million in the same period of 2022.

Exports to the United States continue to stand out accounting for 33% of total exports in April 2023 followed by Uruguay and Chile with 9.5% and 6.9% respectively. The Brazilian Furniture Industry Association (ABIMÓVEL) highlights the technical differentials of Brazilian furniture including the quality of wood and other natural raw materials in addition to sustainability concern and the design integrated into the national industry.

ABIMÓVEL also mentions the opportunities found in Europe with countries such as the United Kingdom, France and the Netherlands being among the main destinations for Brazilian exports.

The furniture sector is optimistic for the first half of 2023, driven by external demand and the ability to offer competitive products but stresses the importance of trade agreements, export incentive policies and customs debureaucratisation to sustain the pace of exports.

See: http://abimovel.com/flutuacoes-mensais-marcam-exportacoes-brasileiras-de-moveis-e-colchoes-em-2023/

Domestic log prices

Brazilian logs, mill yard, domestic	US$ per cu.m
Ipê	567
Jatoba	228
Massaranduba	207
Miiracatiara	201
Angelim Vermelho	200
Mixed redwood and white woods	156

Source: STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US$ per cu.m
Ipê	2,264
Jatoba	1,137
Massaranduba	1,056
Muiracatiara	922
Angelim Vermelho	973
Mixed red and white	629
Eucalyptus (AD)	355
Pine (AD)	264
Pine (KD)	336

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

Parica	US$ per cu.m
4mm WBP	651
10mm WBP	502
15mm WBP	458
4mm MR.	623
10mm MR.	463
15mm MR.	414

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US$ per cu.m
15mm MDParticleboard	380
15mm MDF	425

Source: STCP

Export sawnwood prices

Sawnwood, Belem/Paranagua Ports, FOB	US$ per cu.m
Ipe	3,334
Jatoba	1,734
Massaranduba	1,732
Muiracatiara	1,716
Pine (KD)	190

Source: STCP Data Bank

Export plywood prices

Pine plywood EU market, FOB	US$ per cu.m
9mm C/CC (WBP)	330
12mm C/CC (WBP)	303
15mm C/CC (WBP)	290
18mm C/CC (WBP)	285

Source: STCP Data Bank

Export prices for added value products

FOB Belem/Paranagua ports		US$ per cu.m
Decking Boards	Ipê	5,263
	Jatoba	2,383

Source: STCP Data Bank

Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in Brazil.

See: https://www.itto-ggsc.org/static/upload/file/20230714/1689299252208888.pdf

Peru

ADEX proposes forest seed bank

Enrique Toledo, the Vice Pesident of the Association of Exporters (ADEX) Timber Committee proposed the National Institute of Agrarian Innovation (INIA) operate a forest seed bank for use in the reforestation of degraded Amazonian land. Toledo suggested development of a seed bank must be complemented with genetic research so that good ecological restoration will be guaranteed.

Over the past 60 years around 10 million hectares of forests have been lost due to migratory agriculture, cattle ranching, illegal coca cultivation and illegal mining. Over time much of the land was abandoned due to a loss of fertility causing ecological damage.

Private companies have reforested 40,000 hectares of the Peruvian jungle according to ADEX.

The reforestation of 1 million hectares (land deforested and degraded by migratory cultivation) could generate earnings of around US$1.5 billion from wood product manufacturing according to ADEX. In addition, such an effort would create around 400,000 direct and indirect jobs in forestry, forest harvesting, timber industries and service sectors.

SERFOR and ADEX favor traceability
Officials and specialists from the National Forestry and Wildlife Service (SERFOR) together with members of the Timber and Timber Industries Committee of the Exporters Association (ADEX) exchanged experiences on the processes of marketing, transformation, transportation, registration of information and issuance of guides for forest transport and use of wood.

SEFOR announced progress in developing and operating the information system related to the issuance of forest transport guides through the forest transport guides (ER-GTF), a digital tool that is part of the Module of Control of the National Forestry and Wildlife System (MC-SNIFFS).

The processes for issuing export permits for species included in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the procedure for control and visual inspection of timber products at posts were explained.

The main exporting companies of the timber industry together with the representatives of ADEX expressed their optimism regarding the progress made by SERFOR and the joint effort to strengthen the processes of the timber export procedure included in CITES.

Approval of domestic panel products for school furniture
Wood product manufacturers in Ucayali have been informed that 16 wood based panel products have been approved for wooden school furniture production as they comply with the quality standards and will now be adopted in public tenders.

Representatives of the Regional Chamber of the Second Transformation of Ucayali Wood (CRESETMU) and the Industrial Chamber of the Second Transformation of Ucayali Wood (CISETMU) recorded their satisfaction with this ruling. They offered suggestions on new school furniture designs which will further encourage local businesses.

First regional forest control roundtable in Ucayali
The Regional Governor of Ucayali, Manuel Gambini, was present at the first meeting of the Regional Roundtable for Control and Surveillance of Forestry and Wildlife and highlighted the work that has been carried out against illegality and mentioned that it is necessary to sensitise communities on this issue.

Reports on the loss of forest cover in the present year were presented at the Regional Roundtable and its relationship with the National Forest and Wildlife Control and Surveillance System (SNCVFFS) was explained.

Export prices for added value products

	US$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumaru KD, S4S Swedish market	986-1119
Asian market	1079-1101
Cumaru decking, AD, S4S E4S, US market	1204-1237
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	582-611
2x13x75cm, Asian market	774-831

Export sawnwood prices

Peru sawnwood, FOB Callao Port	**US$ per cu.m**
Pumaquiro 25-50mm AD Mexican market	659-671🡇
Virola 1-2" thick, length 6"-12" KD	
Grade 1, Mexican market	587-609
Grade 2, Mexican market	527-541
Cumaru 4" thick, 6"-11" length KD	
Central American market	967-980
Asian market	983-1001
Ishpingo (oak) 2" thick, 6"-8" length	
Spanish market	629-645
Dominican Republic	697-711
Marupa 1", 6-11 length KD	
Grade 1 Asian market	559-574🡇

Export plywood prices

Peru plywood, FOB Callao (Mexican market)	US$ per cu.m
Copaiba, 2 faces sanded, B/C, 8mm	349-379
Virola, 2 faces sanded, B/C, 5.2mm	487-511
Cedar fissilis, 2 faces sanded, 5.5mm	766-783
Lupuna, treated, 2 faces sanded, 5.2mm	396-419
Lupuna plywood	
B/C 15mm	449-495
B/C 9mm	379-399
B/C 12mm	350-360
B/C 8mm	466-487
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	391-407

Export veneer prices

Veneer FOB Callao port	US$ per Cu.m
Lupuna 3/Btr 2.5mm	221-249
Lupuna 2/Btr 4.2mm	234-266
Lupuna 3/Btr 1.5mm	219-228

Domestic sawnwood prices

Peru sawnwood, domestic	US$ per cu.m
Mahogany	218-236
Virola	225-238
Spanish Cedar	182-218
Marupa (simarouba)	192-227

Domestic plywood prices (excl. taxes)

Iquitos mills	US$ per cu.m
122 x 244 x 4mm	512
122 x 244 x 6mm	519
122 x 244 x 8mm	522
122 x 244 x 12mm	528
Pucallpa mills	
122 x 244 x 4mm	503
122 x 244 x 6mm	511
122 x 244 x 8mm	516
122 x 244 x 8mm	521

Domestic prices for other panel products

Peru, domestic particleboard	US$ per cu.m
1.83m x 2.44m x 4mm	282
1.83m x 2.44m x 6mm	230
1.83m x 2.44m x 12mm	204

Japan

Business sentiment improved for the first time in seven quarters

Japanese business sentiment improved in the second quarter as raw material costs stopped rising and increased consumer consumption, as pandemic curbs were removed, drove up factory output. The Bank of Japan's latest Tankan survey shows business sentiment among large manufacturers has improved for the first time in seven quarters

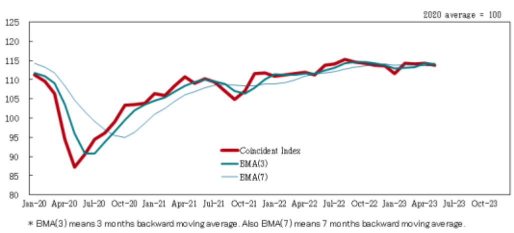
The survey suggested companies expect to increase capital expenditure and consider inflation will stay above the Bank of Japan's (BoJ) 2% target for the next five years. This could fuel sentiment that conditions for phasing out the BoJ massive monetary easing policy may be emerging especially if the momentum of wage increases can be maintained.

See:
https://www.japantimes.co.jp/news/2023/07/03/business/economy-business/tankan-business-sentiment/
And
https://www.boj.or.jp/en/statistics/tk/gaiyo/2021/tka2306.pdf

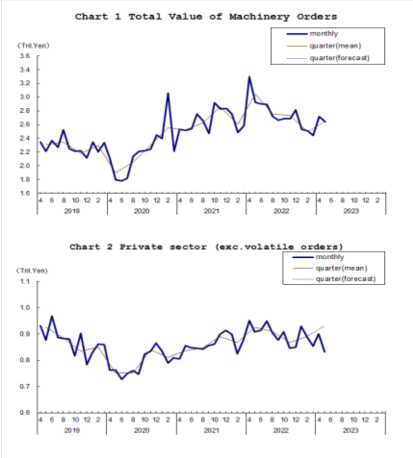
In related news, a report from Rengo the umbrella trade union group, confirmed that wage growth was more widespread than many had thought. Wages observed within Rengo affiliated groups across Japan rose by an average of 3.5% at the beginning of the year. More importantly, signs of broader wage pressures have been observed in small and medium enterprises (SMEs) which saw their wage bill rise 3.2%.

See: https://www.dailyfx.com/news/usd-jpy-price-outlook-rising-japanese-wage-data-lifts-the-yen-20230705.html

Indexes of business conditions May 2023



Sentiment among large manufacturers improved for the first time in seven quarters in the second quarter of this year according to the BoJ. The latest results exceeded the median forecast. Capital spending by large companies in fiscal 2023 is forecast to grow 13%.



Source: Cabinet Office, Japan

Manufacturing output rising

Industrial production in Japan declined in May but the economic outlook remains positive, however, cost push inflation and tightening labour conditions are driving up prices across the board. Manufacturing output declined 1.6% month-on-month in May but year on year there was an improvement in the first five months of 2023. The outlook forecast for manufacturing activity in June anticipates a rise.

See: https://menafn.com/1106575919/Japan-Remains-On-The-Recovery-Path-Despite-Weaker-Industrial-Production

Corporate bankruptcies rise

Corporate bankruptcies rose in Japan in the first half of this year as some businesses struggled to repay corona relief loans. The number of firms failing in the first half of this year exceeded 4,000 for the first time in five years.

Retail bankruptcies totalled 834, up 46% with restaurants especially hard hit. Researchers forecast bankruptcies could increase in July as businesses face the triple threat of loan repayments, rising prices and a labour shortage.

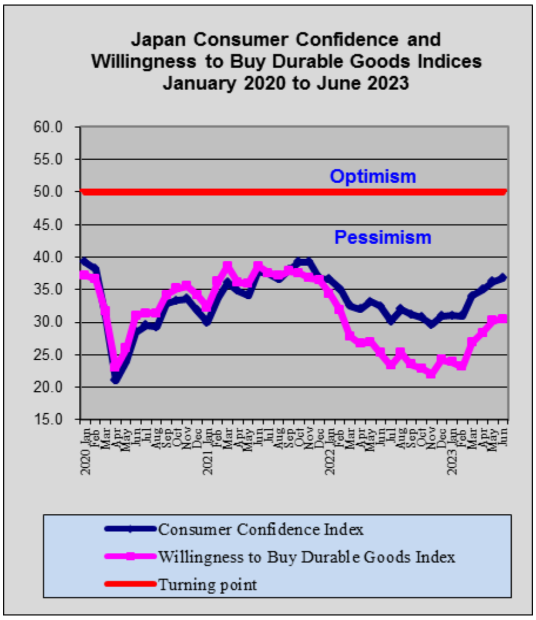
See: https://www3.nhk.or.jp/nhkworld/en/news/20230710_37/

Purchases of durable goods delines

According to the Ministry of Internal Affairs household spending in Japan fell in May for the third month in a row, dropping 4% year on year. Purchases of household durable goods such as furniture fell 13%, expenditure on communications declined 9% and spending on supplementary education such as cram-school tuition dropped by 15%.

In contrast, consumers spent more on rail tickets, air fares travel and hotels a reaction to he lifting of coronavirus restrictions.

See: https://www3.nhk.or.jp/nhkworld/en/news/20230707_25/



Data source: Cabinet Office, Japan

Supply-side inflation tough to tackle

Years of stubborn deflation has meant that the Bank of Japan (BoJ) has defensive policies including ultra-loose monetary policy aimed at breaking deflation and achieving sustainable and demand-led growth. Now it is a case of 'be careful of what you wish for' as current inflationary trends in Japan are not home grown but supply-side driven, the result of the Covid pandemic and energy crisis brought on by Russia's invasion of Ukraine.

See: https://www.dailyfx.com/news/usd-jpy-price-outlook-rising-japanese-wage-data-lifts-the-yen-20230705.html
and
https://www.boj.or.jp/en/research/brp/rer/rer230710.htm

Coronavirus cases continue to rise nationwide

Health officials report coronavirus cases continue to rise nationwide and that the situation in Okinawa is alarming. The latest average number of Covid patients per medical institution was 7.24 in the first week of July some 18% higher than in the previous week and the 13th consecutive week of increase.

The head of Tokyo Center for Infectious Disease Control and Prevention warned that medical institutions in Tokyo could be overwhelmed if current infections, mainly seen among young people, spread to the elderly.

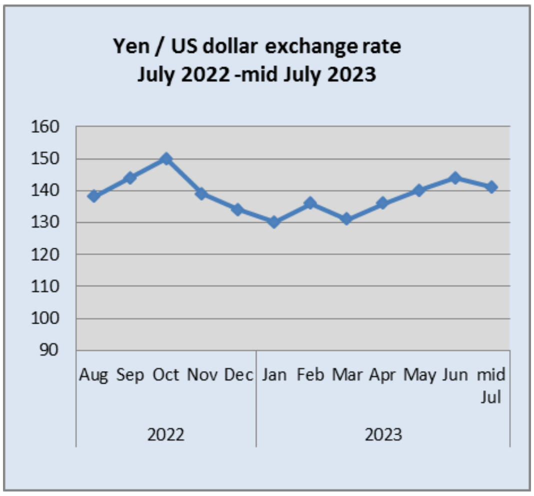
See: https://www3.nhk.or.jp/nhkworld/en/news/20230707_34/

Are we heading towards a currency intervention?

Over the past months the yen has dipped to very low levels against the US dollar which has prompted Japan's Finance Minister to communicate with his US counterparts.

The Japanese government and the BoJ say they will act on exchange rates if the yen depreciates too far and at a rapid rate. Currency traders were on high alert when it appeared the yen was heading to the 150 to the US dollar, the level at which prompted intervention in the currency market last year.

See: https://www.dailyfx.com/news/forex-usd-jpy-eur-jpy-price-forecast-intervention-concerns-provide-optimism-for-yen-bulls-20230704.html

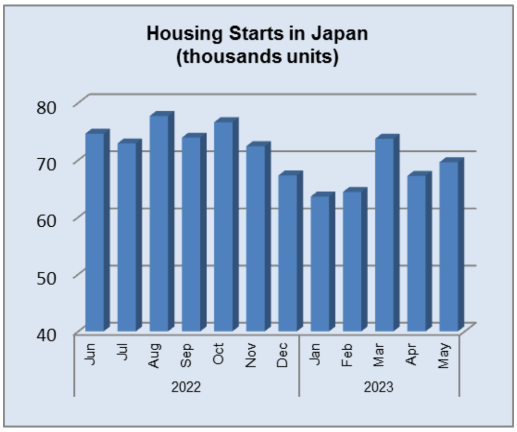


Use of timber mandatory for low-rise institutional buildings

The Japanese government is promoting the use of timber in the construction sector. The Building Standards Act was revised in 2000 so that any building could be built with wood if it fulfills a certain level of performance. Then came the Act 'Promotion of the Utilisation of Wood in Public Building' which made the use of timber mandatory for low-rise institutional buildings.

Increased use of timber in buildings represents several challenges including fire and seismic safety and durability issues but a combination of technological developments, design and adapted construction systems wooden buildings have a lot to offer.

See: https://www.takenaka.co.jp/takenaka_e/mokuzou-mokushitu/



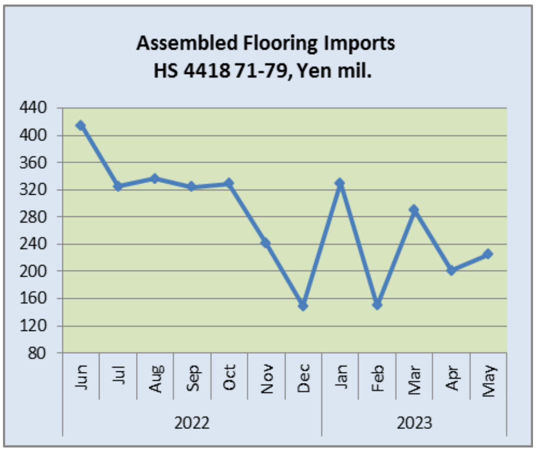
Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Import update

Assembled wooden flooring imports

Despite a slight recovery in the value of Japan's imports of assembled wooden flooring (HS441871-79) in May compared to a month earlier, however, when compared to May 2022 the value of imports was down around 40%.

As in previous months the main shippers of assembled flooring in May were China, Vietnam, Malaysia and Indonesia. HS441875 comprised the bulk of Japan's May imports at around 85% of all categories of assembled flooring of which most as from China.



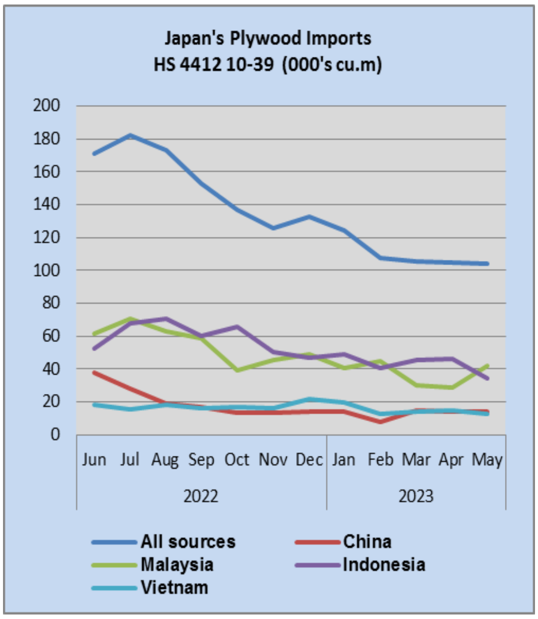
Data source: Ministry of Finance, Japan

Plywood imports

The downward trend in the volume of Japan's plywood imports which began in mid-2022 extended into May. Year on year May 2023 plywood arrivals were over 40% down and the slight up-tick in import volumes in May compared to a month earlier did little to reverse the long-term decline in import volumes.

Falling shipments of plywood from the top suppliers, Malaysia and Indonesia, explain the overall downward trend. Shipments from the other two main suppliers China and Vietnam remained fairly constant until recently when there was a sharp drop in plywood imports from China.

Demand for plywood in the domestic market in China has weakened because of problems in the housing market but this, it appears, has not driven Chinese plywood manufacturers to begin lowering prices to gain market share in Japan.



Data source: Ministry of Finance, Japan

Main sources of Japan's plywood imports (000's cu.m)

		China	Malaysia	Indonesia	Vietnam
2020	Jan	13.4	61.1	81.6	17.0
	Feb	6.8	72.2	63.8	9.5
	Mar	5.8	76.5	73.0	12.2
	Apr	13.0	68.0	69.0	13.6
	May	9.6	69.7	59.0	12.6
	Jun	10.3	52.0	61.0	11.3
	Jul	10.2	40.0	54.9	8.9
	Aug	6.6	55.0	56.0	8.4
	Sep	6.8	42.2	37.8	8.7
	Oct	8.3	62.4	52.7	10.1
	Nov	8.6	43.1	50.0	10.9
	Dec	9.2	60.5	43.9	10.8
2021	Jan	9.7	76.9	59.3	15.7
	Feb	6.8	53.5	50.1	13.0
	Mar	5.7	89.4	61.5	11.5
	Apr	11.4	65.9	58.2	17.3
	May	10.3	72.0	51.0	13.0
	Jun	10.5	61.9	56.6	15.6
	Jul	11.8	74.1	57.1	16.4
	Aug	12.8	54.7	57.8	17.5
	Sep	16.0	61.8	60.4	21.8
	Oct	12.6	72.8	60.4	22.5
	Nov	14.6	60.6	66.0	21.8
	Dec	13.6	51.2	76.5	21.0
2022	Jan	15.9	78.6	73.9	16.8
	Feb	14.7	61.0	56.8	11.4
	Mar	13.7	71.0	76.9	8.8
	Apr	25.0	79.3	72.0	13.1
	May	32.2	67.6	68.2	12.9

	Jun	37.5	61.4	52.4	18.4
	Jul	27.7	70.6	67.8	15.2
	Aug	19.0	63.0	70.8	18.5
	Sep	16.5	58.4	60.4	16.2
	Oct	13.4	39.2	65.5	17.1
	Nov	13.1	45.1	50.1	15.9
	Dec	13.9	49.2	47.1	21.6
2023	Jan	13.7	40.3	49.2	19.4
	Feb	7.8	44.9	40.6	12.9
	Mar	14.9	29.8	45.3	14.3
	Apr	13.8	28.7	46.3	14.6
	May	14.0	47.7	34.2	12.6

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

The Japan Lumber Reports (JLR), a subscription trade journal published every two weeks in English, is generously allowing the ITTO Tropical Timber Market Report to reproduce news on the Japanese market precisely as it appears in the JLR.

For the JLR report please see:
https://jfpj.jp/japan_lumber_reports/

Ta Ann Group to continue harvesting certified forests

Ta Ann Group is a big company, which manages forest and produces lumber, plywood and oil palm in Sarawak province in Malaysia. Ta Ann Group has three forests, which are Kapit, Pasin and Raplex, and has certifications of PEFC (Programme for the Endorsement of Forest Certification) on all three forests. Total of three forest areas are 346,000 hectares. The Sarawak Government authorized Ta Ann to grow 320,000 cbms of logs annually in those three forests for the next 30 years.

The company produces 9,000 cbms plywood in a month. 8,000 cbms of 9,000 cbms are for painted plywood for concrete form and rest of 9,000 cbms are for structural plywood and other plywood.

The president of the company says, ‘it is a good and important opportunity for us to get certifications of PEFC for the next 30 years. We are able to supply PEFC plywood to Japan stably.

Exporting logs from Kesennuma port

Cedar logs were exported to China from Kesennuma port in Miyagi Prefecture for the first time on 21st and 22 nd June.

Since there were many cedar logs due to low demand in Japan, Miyagi Prefecture, Federation of Forest Owners Cooperative Association decided to export cedar logs because there were concerns about beetles on cedar logs and deterioration of cedar logs.

A vessel owned by a Chinese company is 5,278 tons. 4 m length and over 18 cm thickness of cedar logs were exported to China. Volume was about 3,200 cbms.

Cedar logs will be exported China again on 20th, July. Miyagi Prefecture Federation of Forest Owners Cooperative Association will decide to continue exporting cedar logs to China or not after this export.

Plywood

The price of domestic softwood plywood almost reached the bottom in the middle of June. 12mm 3 x 6 structural plywood in June was 1,650 yen, delivered per sheet and it was 50 yen, delivered per sheet, down from May. Structural plywood for precutting plants was 1,600 yen, delivered per sheet. The price of domestic softwood plywood decreased slightly in June from May and the price stopped decreasing in June. Also, the precutting plants stopped demanding a reduction in price.

Plywood companies in Eastern Japan have been reducing production since last autumn and inventory at several companies is now less than before. Then, the plywood companies announced to stop lowering the price of domestic softwood plywood as of June. Some reasons are to make the price of domestic softwood plywood to be stable and the price of electricity, production and personnel increased.

Volume of South Sea plywood has been low and several kinds of structural plywood are in short supply. 12mm painted plywood for concrete form costs 1,920 – 1,950 yen, delivered per sheet and this is 50 yen lower than the previous month. Form plywood costs 1,800 yen, delivered per sheet and this is 100 yen lower than last month. Structural plywood costs 1,800 yen, delivered per sheet and this is unchanged price from last month. 2.5 mm thickness plywood costs 780 yen, delivered per sheet. 4.5 mm thickness plywood is 950 yen and 5.5 mm thickness plywood are 1,150 yen, delivered per sheet.

The price of plywood in South Asia reached the bottom price. 2.4 mm 3 x 6 is US$950, C&F per cbm. 3.7 mm is around US$880, C&F per cbm. 5.2 mm is US$850, C&F per cbm. 12 mm 3 x 6 painted plywood for concrete form is US$650, C&F per cbm. Form plywood is US$560, C&F per cbm. Structural plywood is about US$550, C&F per cbm

A law of JAS for wood pellet

The Ministry of Agriculture, Forestry and Fisheries established a law of JAS for wood pellet. Japan Wood Pellet Association’s standards have been used for approving the wood pellet. However, there is a possibility that consumers would apply to only JAS certification in the future.
The new law of JAS for wood pellet is about ways of testing wood pellets’ quality to use for houses or business use.

The price of cedar log plunged

Demand and supply of cedar logs are unbalanced in Northern part of Kanto area. The price of 3m cedar log plunged to around 10,000 yen, delivered per cbm.

Log companies start to control product but it is difficult to stop producing logs because there is a budget for the fiscal year 2023 -2024 and there are employees to pay salary.

There are many cedar logs left at log companies in Northern part of Kanto because the new starts are decreasing. Then, several laminated lumber plants and plywood plants have been reducing in a purchase of logs since spring.

The price of cedar log in February, 2023 was around 18,000 yen and the price started to fall in March, 2023. One of the reasons for the price falling is that log companies lowered the log price because there were beetles on cedar logs and logs were damaged in April. This was the beginning of the price falling.

One of forest associations says that if the cedar log with B quality became under 10,000 yen, the product cost would be no profits. The forest association had been tried to keep the price of cedar log but in April, the price of cedar log with A quality was 11,000 yen, with B quality was around 8,000 yen and with C quality was 6,000 yen. Many log companies started reducing product.

Only the price of KD cedar log for post plunged widely because the price of laminated cedar post or laminated whitewood post was also falling. Major lumber plants started producing cedar post by 3m cedar logs so the price of 3m cedar log plunged. The price of 4m cedar log was 14,000 – 15,000 yen in May and the price decreased 11,000 – 13,000 yen in June. The price of 4m cypress log was around 17,000 yen.

China

Duties on China's hardwood plywood and engineered wood flooring continue

According to a recent announcement from the US Decorative Hardwood Association, the US International Trade Commission decided that the existing duties on Chinese hardwood plywood will remain in place for the next five years. This decision follows the country's review process on whether to remove the tariffs after five years as required by the Uruguay Round Agreement Act and follows a similar ruling by the Commerce Department.

The Commission stated that removing existing anti-dumping and countervailing duties on hardwood plywood from China would cause substantial harm to the US wood flooring industry.

The US International Trade Commission also ruled that the existing duties on Chinese engineered wood flooring will remain in place for the next five years. This is a critical development for the industry which has been fighting to have this overturned.

See:
https://www.decorativehardwoods.org/enews/dha-enews-duties-engineered-wood-flooring-china-will-continue

First ‘carbon neutral’ industrial park for Fujian

It has been reported that Fujian Three Gorges Offshore Wind Power International Industrial Park obtained a carbon neutral certificate issued by the Beijing Green Exchange lifting the industrial park to take the lead in achieving carbon neutrality and thus became the first industrial park in China to achieve carbon neutral status.

See:
https://baijiahao.baidu.com/s?id=1701016407325663788&wfr=spider&for=pc

A ‘carbon neutral’ wood pallet industry has been created in the Guolin wood industrial zone in Fujian Province. Pallets are generally divided into three categories metal, plastic and wood wit wooden pallets being most widely used because of their lower cost, strenth and their carbon fixation.

See:
https://www.wood365.cn/Industry/IndustryInfo_277904.html

In related news, the China Forestry Group Corporation focuses on realising the recycling and sharing of wooden pallets and promotes the development of green and low-carbon industries to build wooden pallets to sequester carbon.

It has been estimated that one cubic metre of wood can produce 18 wood pallets. Based on the annual output of 10 million pallets about 5-600,000 cubic metres of wood will be used per year and about 530,000 tonnes of carbon will be sequestered per year.

According to the State Forestry and Grassland Administration wood and wood products are efficient and inexpensive carbon sequesters. The wood industry not only has low energy consumption in processing but the waste and waste produced in the production process can be used as biomass fuel which reduces the use of fossil energy while improving the utilisation rate of wood.

See: https://finance.sina.cn/esg/2023-07-11/detail-imzahnsv1173460.d.html

China's new wood industry base in Rizhao city

Taking advantages of timber imports a timber industry cluster has been rapidly developing in Lanshan District, Rizhao City in Shandong Province. There are around 400 timber trade and processing enterprises established there.

More than 360 wood processing enterprises have an annual wood processing capacity of 7 million cubic metres and an annual output value of more than RMB10 billion and support more than 20,000 direct employees.

At present there are 9 special timber handling berths at Lanshan Port with an annual handling capacity of 10 million cubic metres of timber and its business involves more than 30 countries such as Russia, New Zealand, the United States, Canada, Brazil, Uruguay, Germany and Poland.

Lanshan Port has the only national import wood quarantine and pest control area in Shandong port. There are 400 drying kilns with an annual capacity of 800,000 cubic metres and the timber storage capacity of 5 large special timber yards is about 1.2 million cubic metres.

A total of 9.15 million cubic metres of logs were imported through Lanshan Port in 02022 a year on year increase of 14% and accouned for just over 21% of the national total. Timber imports through Lanshan Port reached 5.18 million cubic metres in the first half of 2023, an increase of 7% year-on-year.

Rizhao city has unique geographical advantages, or the fan-shape origin of sea and land, can gather global resources, and then sell to the world. Building a factory in Rizhao can take advantage of these advantages and reduce production costs.

Lanshan District aims to build a low-carbon integrated national imported wood trade and processing demonstration zone in the next few years.

See: http://sd.people.com.cn/n2/2023/0711/c386785-40489909.html

China timber index

In June this year, after experiencing consecutive slowdowns in April and May, the economy in China began to stabilise. The weakness in market demand slowed but enterprises still feel weakened demand, especially in international markets.

On 29 June the Standing Committee of State Council reviewed and approved "Measures to Stimulate Home furnishing Consumption". It was pointed out that home furnishing consumption has the characteristics of long upstream and downstream supply chains.The Chinese government will adopt measures to boost furnishing consumption through policy coordination and synergistic efforts between promoting home furnishing consumption, renovation of old residential areas, reconstructing housing for the elderly, constructing convenient living circles and improving recycling to generate a concerted effort to promote consumption.

In addition, on 28 June the Third Session of the Standing Committee of the 14th National People's Congress voted and decided to establish 15 August as National Ecological Day to promote an understanding for the entire nation and generate conscious actions by all industries.

In June production and output in the timber and timber products industry gradually slowed due to the holiday season and because of the slow recovery of demand.

Orders and production of GTI-China enterprises decreased compared to the previous month, reduction of inventory of raw materials and finished products was in progress as market prices remained in a downward trend.

In June, the GTI-China index recorded 48.2%, an increase compared to that of the previous month but has been below the critical value (50%) for 2 consecutive months, indicating that the prosperity of the enterprises represented by the GTI-China index shrank further from last month however, the pace of contraction eased.

Average CIF prices

Tropical logs US$/cu.m

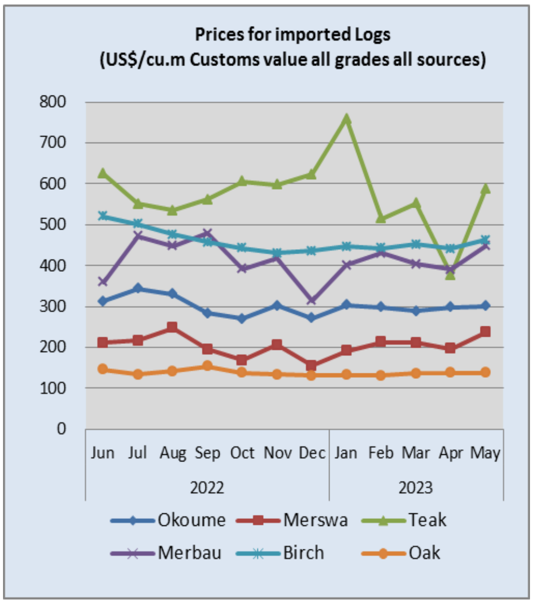
	2023 Apr	2023 May
Okoume	289	301
Merswa	197	236
Teak	377	587
Merbau	391	448
Birch	441	463
Oak	128	137

Data source: Customs, China

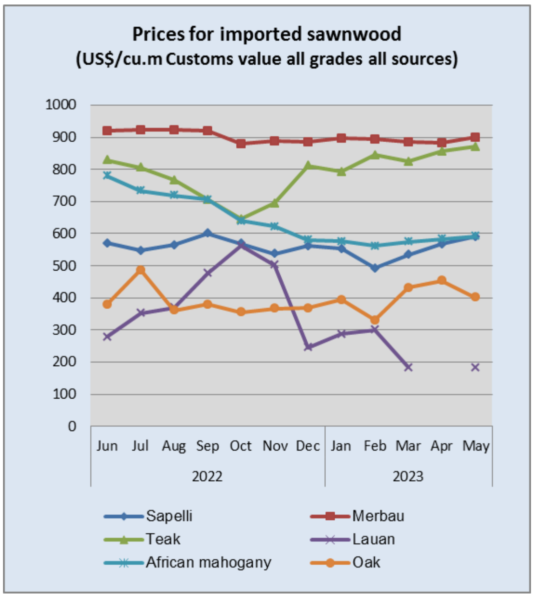
Tropical sawnwood, US$/cu.m

	2023 Apr	2023 May
Sapelli	568	590
Merbau	882	899
Teak	856	870
Lauan		184
African mahogany	584	592
Oak	454	402

Data source: Customs, China



Data source: Customs, China



Data source: Customs, China

Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in China.

See: https://www.itto-ggsc.org/static/upload/file/20230714/1689299252208888.pdf

EU

Hardwood log supply under increasing strain in Europe

Hardwood log availability is now coming under considerable pressure in Europe due to the combined effects of declining forest productivity in the face of climatic disturbances, rising log exports to China, and a wide range of new policy and regulatory measures.

This has meant that prices for European hardwoods have remained relatively firm, particularly for oak, even as consumption is declining in the face of the economic slowdown.

These are key messages from the latest Annual Report of The European Organisation of the Sawmill Industry (EOS) published in June. The EOS Member Countries are Austria, Belgium, Denmark, Finland, France, Germany, Latvia, Norway, Romania, Sweden, and Switzerland.

The Annual Report includes sawnwood production and consumption data for the 11 EOS Member Countries alongside the UK and Italy as major consumers. EOS estimate total sawnwood production in the 13 countries to have been 92.3 million cubic metres in 2022, a 4% decline compared to the previous year.

Sawn softwood production in the 13 countries fell 4% to 86.6 million cubic metres in 2022 but was still at the second highest annual level since before the 2008 financial crises. Sawn softwood production in these countries was rising almost continuously between 2013 and 2021.

Sawn hardwood production in the 13 EOS countries was down 6% to 5.7 million cubic metres in 2022. In contrast to softwoods, hardwood lumber production in these countries was sliding between 2015 and 2019, and only picked up briefly in 2021 when demand increased rapidly during the COVID home improvement boom. Sawn hardwood production last year was only marginally above 2020 and was at the second lowest level since 2013.

In 2023, EOS forecast that total sawnwood production in the 13 countries will decline a further 2% to 90.1 million m3, with sawn softwood production down 2% to 84.6 million cubic metres and sawn hardwood production falling 4% to 5.5 million metres.

In relation to hardwoods, EOS observe that Europe's three largest lumber producing countries – Romania, France, and Germany - all reported significant declines in 2022. This was driven more by constraints to log supply than by falling consumption, although slowing demand was a major feature of the market, particularly in Germany and Romania, in the second half of last year.

EOS suggests that "national and European legislation is curbing the availability of raw materials while many hardwood species remain underutilised. The quality of some species such as beech is also declining which is posing a new set of challenges for many mills particularly but not only in Germany.

Hardwood companies that rely on foreign trade are negatively affected by the geopolitical situation: long-distance exports are hampered by high freight rates, pandemic-related tension in China and rocketing fuel prices".

Another challenge on the supply side according to EOS is that a significant proportion of logs – particularly of oak, by far the most popular European hardwood species, are being exported to China and thereby diverted away from European mills. China's import data shows imports of oak logs from European countries (excluding Russia) of 981,000 cubic metres in 2022, up 20% from 818,000 cubic metres the previous year.

Total sawnwood consumption in the 13 EOS countries is estimated to have declined 13% to 63.8 million cubic metres in 2022 and is expected to fall another 2% this year. Sawn softwood consumption fell 14% to 58.7 million cubic metres in 2022 and is forecast to fall 2% this year. Sawn hardwood consumption fell 10% to 5.2 million cubic metres in 2022 and is forecast to fall a further 1% this year.

The decline in European sawn hardwood consumption is due to shortages in domestic hardwood supply, particularly for the most favoured species oak, which kept prices high, at a time when demand was being undermined by wider geo-political and economic trends. The war in Ukraine has had a particularly detrimental effect on buyer sentiment, contributing to the very sharp rise in energy prices and wider inflation which in turn led to a big increase in interest rates and a sharp rise in the costs of borrowing in European countries.

The direct effect of the war on supply of hardwood lumber in Europe, while significant, has not been as severe as in the softwood sector. According to EOS "while imports Russian make up about 0.5% of total EU sawn hardwood consumption, Ukrainian imports make up about 2.5-3% of European consumption, so overall the market share of the three countries combined is about 3-3.5%. Belarus does not export sawn hardwood to Europe. Importantly, Ukrainian exports of hardwood lumber are overwhelmingly valuable sawn oak products".

European associations call for restrictions on oak log exports

The sharp increase in the volume of European oak log exports to China in 2022 has prompted efforts by a range of European forest products associations to show to the European Commission (EC) that this trade has "reached an unsustainable level and risks jeopardising the viability of the (EU) industry".

These efforts are being undertaken by EOS alongside the European Panel Federation (EPF), the European Federation of the Parquet Industry (FEP), the European Furniture Industries Confederation (EFIC), the European Office Furniture Federation (FEMB), and the Italian Federlegno with the help of the legal company Van Bael and Bellis.

To date, according to EOS, the EC has not been convinced of the need to limit exports of oak logs for several reasons:

- There is a risk of retaliation as China could take measures in response to any action limiting the export of logs (both in the woodworking industry and in other sectors).

- Chinese operators or Europeans acting on their behalf extend the number of possible customers for the forest owners: so, what is bad for the woodworking industry is good for forest owners. It is a market outcome. Therefore, the EC advised the European industry to negotiate and find solutions locally with the forest owners.

- The EC has not received factual evidence proving a case of critical shortage of an essential product where the EU interests call for immediate intervention.

Investigations by EC offices in Beijing have found no evidence that the Chinese import trade in logs and associated processing industry are being subsidised contrary to WTO rules.

However, EOS note that the EC is "interested in keeping the discussion alive and actions to limit the export of logs cannot be completely ruled out".

Good demand for sawn hardwood in France

The Market Statement for France contained in the EOS Annual Report highlights that demand for sawn hardwood produced in French mills was good all year round in 2022, both on the national market and for export. Consumption was curbed only by insufficient supply, particularly in oak. For beech, the main issue was quantity of dying beech due to the impact of climate change on forests.

Total sawn hardwood production in France in 2022 was 1.25 million cubic metres, 8% less than the previous year. In contrast to production, French sawn hardwood imports increased 11% to 200,000 cubic metres in 2022. French exports of sawn hardwood also increased 6% to 425,000 cubic metres. Overall consumption of sawn hardwood in France increased marginally (by 0.5%) to slightly over one million cubic metres last year.

For oak, French exports of logs to China were at an historically high level in 2022. More than 30% of the French oak harvest was diverted to China, the boom coinciding with the ban imposed by Russia on its log exports.

French oak sawmills reduced their activity by 25% in 2022 to adapt to the shortage of supply and this cessation of activity is increasing. In terms of prices, oak logs continued to appreciate in all qualities. Rises were also observed in oak sawnwood, bringing prices to a historic high.

"Tense" situation for German hardwood mills

The Market Statement for Germany in the EOS Annual Report notes that the situation for hardwood sawmills in the country remains "tense". After the Covid-19 pandemic led to a significant drop in production, a full recovery on the national and international markets has not been realized. In 2022, production of sawn hardwood in Germany was 997,000 cubic metres (-6% compared to 2021) including 239,000 cubic metres of oak (-4%), 731,000 cubic metres of beech (-8%), and 28,000 of other species (-42%).

In addition, companies in Germany are facing increasing challenges in the supply of raw materials. Political measures are restricting forest management, in particular beech felling in some federal states. At the same time, log exports have been at a high level for several years and demand for firewood assortments also increased dramatically last year.

The Statement goes on to note that exports of German sawn hardwood were weak in 2022 and this situation is persisting. Declining exports to China, the largest customer for beech lumber, are weighing on production. In addition, exports to the other major consumer countries for German sawn hardwood were lower. In 2022, export volume of beech lumber fell by 13.5% to 456,000 cubic metres and oak lumber was down 3.2% to 115,800 cubic metres. Export volumes of both species have yet to return to pre-pandemic levels.

In 2022, Germany's imports of sawn hardwood also fell dramatically, by 16% to 395,000 cubic metres. While imports of sawn tropical hardwood increased by 6% to 79,000 cubic metres, imports of oak fell 3% to 90,000 cubic metres, beech was down 20% to 17,000 cubic metres, and other hardwoods (mainly industrial grade products of beech and similar) fell 26% to 209,000 cubic metres.

Overall consumption of sawn hardwoods in Germany declined 1% to 693,000 cubic metres in 2022, well below the pre-pandemic level of just over 800,000 cubic metres in 2019.

While domestic consumption was down in Germany last year, supply shortages meant that prices for both beech and oak lumber have risen significantly. However, with a rise of 20% in 2022, the increase in beech lumber price was less than the increase for logs. For oak, prices for logs and lumber developed in tandem.

Price increases of 30% over the year illustrate the difficult supply situation for beech logs. Insufficient availability and quality losses due to the ongoing drought are hampering hardwood companies' production. Added to this are the restrictions on utilization, so that around 60% of German hardwood mills are acutely affected by the shortage of raw materials.

Import prices for hardwood lumber in Germany showed a dynamic development. After rising steeply to highs in the middle of 2022, they fell significantly in the second half of last year and, in the first quarter of 2023, were below their previous year's level and thus only just above the domestic prices.

Sawn hardwood production in Romania fell in 2022

The Market Statement for Romania in the EOS Annual Report shows that sawn hardwood production in 2022 was 1.45 million cubic metres, 15% less than the previous year. Despite the decline, Romania remained Europe's largest single producer of sawn hardwood last year.

Romania's sawn hardwood exports fell by 12% to 451,000 cubic metres in 2022, including 331,000 cubic metres of beech (-19%), 74,000 cubic metres of oak (+10%) and 45,000 cubic metres of other species (+29%). Exports fell dramatically to the two leading destinations; China (-32% to 171,000 cubic metres) and Egypt (-18% to 92,000 cubic metres).

The Market Statement notes that "the year 2022 was for Romania, due to the energy crisis, the war in Ukraine and some blockages during the pandemic, a year with particular challenges both in the resource area and in the production and marketing of wood and wood-based products".

Supply side constraints in Romania have been such that, despite declining demand both in the domestic market and for export, stocks are low for most companies throughout the trading chain and this is creating longer lead times for delivery of products and, according to the Market Statement, "uncertainty regarding the ability to honour contracts".

Forest growth and policy trends point to declining European wood production

The EOS report highlights that current harvest levels in most European countries are still well below increment. In fact, drawing on Eurostat data, EOS show that the total stock of timber standing in EU27 forests increased by nearly 30% in the twenty year period between 2000 and 2020, with the stock rising in every Member State. In total, an estimated 65% of the net annual increment of wood in EU forests was removed by the logging industry in 2020.

However, EOS also point out that other forest trends are negatively impacting on log availability in the region. Drawing on a recent study by the EC's Joint Research Centre (JRC), the EOS report highlights that:

- total living aboveground biomass stock of EU forests in 2020 was 18.4 billion tonnes of dry matter.

  this volume was equally divided between broadleaves (50.7%) and conifers (49.3%). The dominant species are Picea sp. (21.5% of total biomass), Pinus sylvestris (19.8%), Fagus sylvatica (11%), Quercus robur (8%), Betula sp. (6%) and Quercus cerris (4%).

- the total volume of forest biomass in the EU27 increased at a rate of between 1% and 2% each year between 1990 and 2015, but the annual rate of growth slowed to only 0.9% between 2016 and 2020.

- the annual rate of growth of forest area in the EU27 declined from 0.4% before the year 2000 to only 0.1% between 2015 and 2020.

- modelling of forest growth indicates the rate of annual increment may slow even more during the period 2020 to 2025.

- the slowdown in the rate of forest growth in the EU is due to various factors, the most significant being the ageing of forest stands, particularly of broadleaves.

  While the rate of forest growth has slowed, EU27 harvest levels showed a clear upward trend between 1990 and 2015.

This was driven by the rising proportion of forests reaching maturity, an increase in demand for wood fibre, and a substantial increase in natural disturbance leading to a rise in salvage logging, especially in central Europe.

- a recent increase in climate variability and climate extremes is now contributing to the surge of tree mortality and a reduction of productivity.
- drought and heatwaves are interplaying with other natural disturbances such as fires and pest outbreaks, multiplying the negative impacts on the forest increment expected in the coming years.

The combined effects of declining forest growth and natural disturbance is expected to be a reduction in share of increment available for wood supply in the future. EOS also suggest that policy measures may place further limits on roundwood extraction in the EU in the future. These measures include:

- The new EU Biodiversity Strategy that requires protection of 30% of all EU land area and strict protection of 10% of these areas targeting those with very high biodiversity value and that are important for mitigation and adaptation to climate change, including all primary and old growth forest. Guidelines on closer-to-nature forestry practices are also expected to be developed.
- The Nature Restoration Regulation which stipulates that for all forest ecosystems, progress must be made against a set of indicators including standing and lying deadwood, uneven age structure, forest connectivity, a standardised forest birds index, and soil organic carbon content.
- The revised LULUCF Regulation which increases the EU's target for net carbon removals by natural sinks from 225 Mt of CO2 equivalent (a target already met according to some studies) to 310 million tonnes of CO2 equivalent by 2030. Meeting the new target will require changes to forestry practices which, according to many scenarios, is projected to have a negative impact on area available for wood supply.
- The EU Regulation on deforestation-free products (EUDR) which prohibits forest products resulting from deforestation or forest degradation to be placed on or exported from the EU market and requires enhanced due diligence compared to EUTR. Although there is only a relatively low risk of deforestation and degradation according to EUDR definitions inside the EU, the new law implies a potentially significant increase in transaction costs and liabilities for commercial forest operators and their customers in the EU.

North America

Sawn tropical hardwood imports edged down in May

US imports of sawn tropical hardwood fell 4% in May after two consecutive months of growth. The 15,681 cubic metres imported in May was 43% below the volume from May 2022. Imports from Brazil, the leading trade partner, rose 8%, but that gain was more than offset by declines in imports from Malaysia (down 7%), Indonesia (down 20%), and Cameroon (down 36%).

Imports from nearly all trading nations remain down sharply through the first five months of the year. Imports of Ipe rose 70% in May to reach their highest level of the year; however, they still came short of last May's volume by over 37%. Imports of Sapelli and Keruing both declined 13% in May.

	2023 Jan-May cu.m	YoY % change
Balsa	1,674	-33%
Sapelli	12,689	-10%
Acajou d'Afrique	3,696	-42%
Keruing	11,788	5%
Ipe	10,242	-61%
Mahogany	3,928	-19%
Virola	725	-66%
Meranti	1,989	-57%
Cedro	2,228	9%
Jatoba	255	-58%
Teak	1,138	-40%
Iroko	363	-53%
Padauk	606	-29%
Aningre	0	
Other tropical	25,841	-51%
Total	77,162	-41%

Data source: US Census Bureau, Foreign Trade Statistics

Keruing and Cedro are the only woods being imported at a greater rate in 2023 so far than last year, while imports total less than half of last year's amount of Ipe, Virola, Meranti, Jatoba, Iroko, and Annigre through May. Overall imports remain down 41% versus last year so far this year.

Canada's imports of sawn tropical hardwood fell by more than a quarter for the second straight month in May, declining 30% to their lowest level in 20 months. Imports of Mahogany fell sharply while imports of Sapelli fell more modestly but were at less than a quarter of their May 2022 level. Overall imports, which had led those of 2022 for the first four months of the year, are now behind by 14%.

Hardwood plywood imports gain on increases from Russia, China

US imports of hardwood plywood rose 36% in May, rising for a third consecutive month. The 218,862 cubic metres of plywood imported last month is the highest volume month so far this year, but still was only about two-thirds that of the previous May.

Imports from Russia bounced back, rising more than eight-fold in May while imports from China rose by 70%. Despite the upward trend, total imports for the year so far trail 2022 by 58% with volume from nearly every trade partner (besides Ecuador) down by more than half.

	2023 Jan-May cu.m	YoY % change
China	18,784	-54%
Russia	68,174	-70%
Indonesia	183,936	-62%
Malaysia	17,305	-86%
Cambodia	42,990	-45%
Vietnam	139,307	-75%
Ecuador	63,332	0%
Other	271,387	-17%
Total	805.215	-58%

Data source: US Census Bureau, Foreign Trade Statistics

US veneer imports up 9% in April

US imports of tropical hardwood veneer also rose for a third straight month, growing 6% by value as imports from Cameroon remained strong. Imports from Cameroon, which had surpassed US$1 million in April for only the second time in the last eight years, rose an additional 9% in May. Imports from India also made a strong gain in May, returning to January levels after several slow months. While imports from Ghana and Cote d'Ivoire both fell in May, year-to-year imports from both counties are up sharply through May. Total imports lead last year by 21%

US hardwood flooring imports off 3%

US imports of hardwood flooring fell slightly in May, declining 3% by value from the previous month. May imports were 10% below that of last May as imports from Brazil dropped 50%. Imports from Indonesia and Malaysia were also down, falling 33% and 23%, respectively, imports from China rose 40%. Imports from Brazil so far this year are now less than half the total of this time last year. Overall imports of hardwood flooring are up 8% over 2022 year to date.

Imports of assembled flooring panels rose 8% in May with imports from Brazil, Thailand, China and Vietnam all showing strong gains. Imports from Brazil are up 40% over last year through May while imports from other major supplying countries are down sharply. Total imports of assembled flooring panels are down 41% versus last year through May.

Moulding imports gain 30%

US imports of hardwood moulding had their strongest month of 2023 so far in May, rising 30% by value from the previous month. Imports from Brazil rose 92% in May while imports from Malaysia rose 60%.

After several weak months to start the year, imports have now risen for two consecutive months.

May imports were less than those of the previous May by 21% while year-to-year imports are down 30% through the first five months of the year.

US wooden furniture imports gain in May

US imports of wooden furniture had their strongest month since January, rising 8% in May for a second consecutive monthly gain. Despite the gain, the US$1.74 billion in May imports was 30% lower than May 2022 totals.

Imports from China and Vietnam continued to rebound with imports rising around 15% from both countries. Imports from Canada rose 1% for the month and have remained steady all year as year-to-date imports from Canada are up 2% over last year through May.

Total imports are down 29% from last year through the first five months of the year.

	2023 Jan-May US$	YoY % change
Total	8,010,889,962	-29%
China	1,280,460,699	-43%
Vietnam	2,843,184,073	-30%
Canada	697,556,163	2%
Malaysia	415,027,857	-45%
Mexico	744,022,847	-18%
Indonesia	391,266,520	-32%
India	179,160,749	-35%
Other	1,639,371,803	-22%

Data source: US Census Bureau, Foreign Trade Statistics

US cabinet sales down 7.8% in May

According to the Kitchen Cabinet Manufacturer's Association's (KCMA) monthly Trend of Business Survey, participating cabinet manufacturers reported a decrease in sales of 7.8% in May. Sales were up by 6.1% for May 2023 compared to the same month in 2022.

The survey reported that compared with the previous month custom sales were up 2.3%, semi-custom sales were down 15.3% and stock sales were up 7.1%. Compared with May 2022 custom sales were up 16.6%, semi-custom sales were up 11.3% and stock sales were down 20.1%

See: https://kcma.org/insights/may-trend-business-report

US cabinet demand forecast to rise to US$20.9 billion in 2026

Demand for kitchen cabinets in the US is forecast to rise 2.9% annually to $20.9 billion in 2026, according to the "US Kitchen Cabinets Market 2023-2026" report from ResearchAndMarkets.com.

This represents a deceleration from the 2016-2021 period as new housing construction and home remodeling normalises following exceedingly high levels in 2021, and prices for materials used in the construction of cabinets (such as wood) recede from inflation- and supply chain-related highs in 2021 and 2022.

The gain will be supported primarily by homeowners investing more money into kitchen renovation projects and opting for more high-end materials, in conjunction with interest among homeowners in using cabinets as both aesthetic and functional elements of their kitchens.

See: https://www.woodworkingnetwork.com/cabinets/us-cabinet-demand-forecast-rise-209-billion-2026

Trending: Celebrities on social media bragging about the wood in their homes

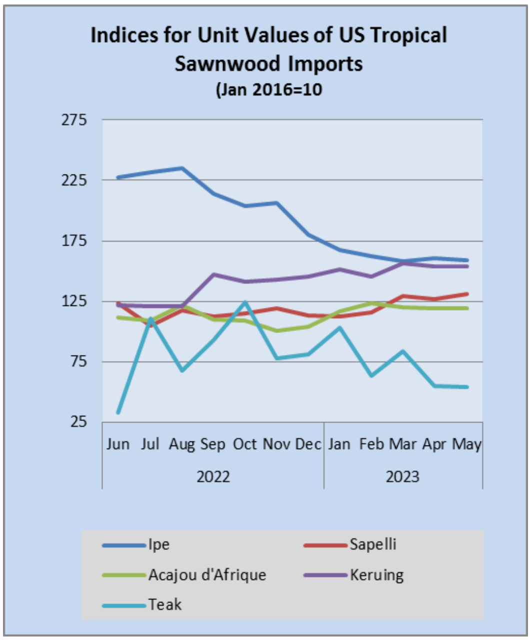
When it comes to wood, celebrities are obsessed, at least that's what viewers have gleaned from tours of their homes.

Since 2012, Architectural Digest has taken the masses inside celebrity homes through its "Open Door" series. In doing so the series inadvertently amassed, what Los Angeles comedy writer and director Karolyn McKenzie calls "celebrity wood brags," distinct origial stories owners tell about the reclaimed wood in their homes.

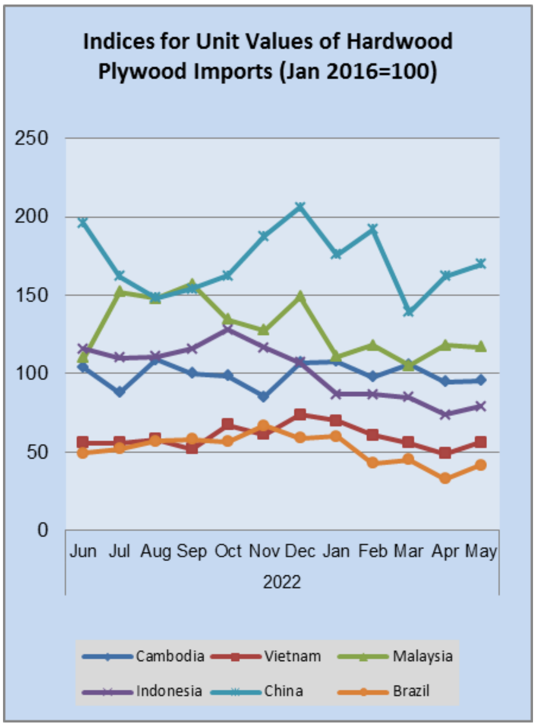
The fascination with celebrity 'wood brags' has gained traction on social media platforms like TikTok, where users like McKenzie have compiled videos highlighting the numerous instances of famous individuals expressing their admiration for wood during house tours. With millions of views, these videos have struck a chord with viewers who find humor in the specific and often extravagant origins of the wood featured in celebrity homes.

The popular videos feature celebrities such as tennis legend Serena Williams as well as actors and entertainers like Maggie Gyllenhaal, Kirsten Dunst, Peter Sarsgaard, Michael Imperioli and RuPaul.

See: https://www.architecturaldigest.com/story/why-are-celebs-bragging-about-their-wood-furniture
and
https://www.washingtonpost.com/lifestyle/2023/07/04/celebrity-wood-brags-tiktok/



Data source: US Census Bureau, Foreign Trade Statistics



Data source: US Census Bureau, Foreign Trade Statistics

Disclaimer: Though efforts have been made to ensure prices are accurate, these are published as a guide only. ITTO does not take responsibility for the accuracy of this information.

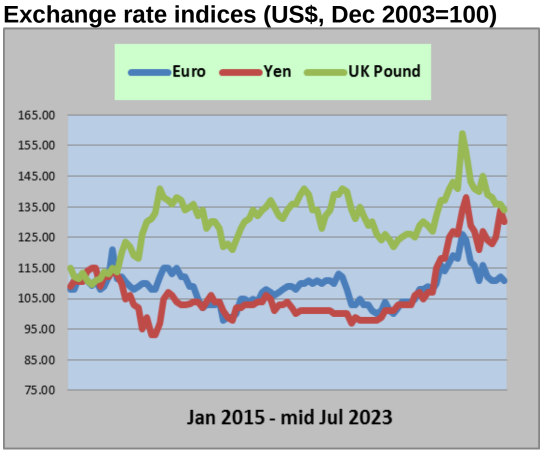
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

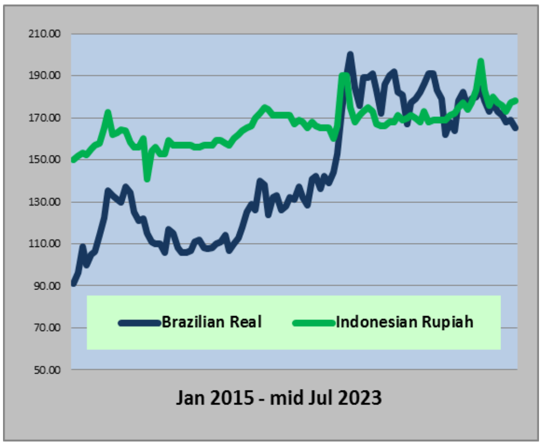
Dollar Exchange Rates

As of 10 July 2023

Brazil	Real	4.86
CFA countries	CFA Franc	596.20
China	Yuan	7.21
Euro area	Euro	091
India	Rupee	82.41
Indonesia	Rupiah	15,138
Japan	Yen	140.10
Malaysia	Ringgit	4.66
Peru	Sol	3.74
UK	Pound	0.77
South Korea	Won	1,291.77

Exchange rate indices (US$, Dec 2003=100)

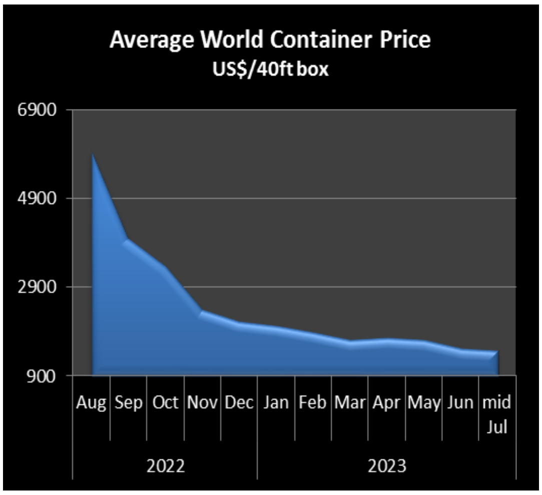




Abbreviations and Equivalences

Arrows ⬇⬆	Price has moved up or down
BB/CC etc	quality of face and back veneer
BF, MBF	Board foot, 1000 board foot
Boule	bundled boards from a single log
TEU	20 foot container equivalent
CIF	Cost insurance and freight
C&F CNF	Cost and freight
cu.m cbm	cubic metre
FAS	First and second grade of sawnwood
FOB	Free-on board
Genban	Sawnwood for structural use in house building
GMS	General Market Specification
GSP	Guiding Selling Price
Hoppus ton	1.8 cubic metre
KD, AD	Kiln dried, air dried
Koku	0.28 cubic metre or 120 BF
LM	Loyale Merchant, a grade of log parcel
MR.., WBP	Moisture resistant, Weather and boil proof
MT	Metric tonne
OSB	Oriented Strand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

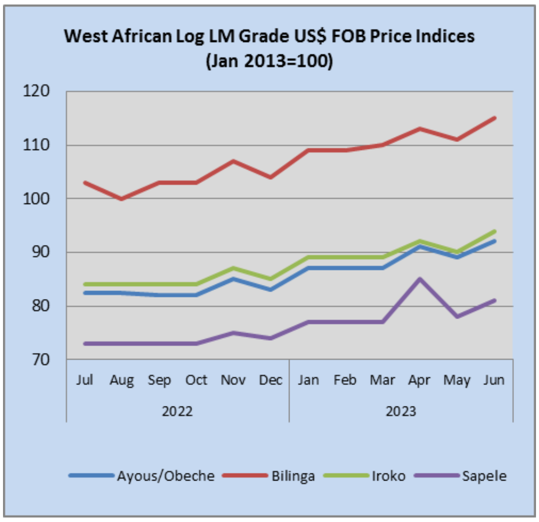
Ocean Container Freight Index

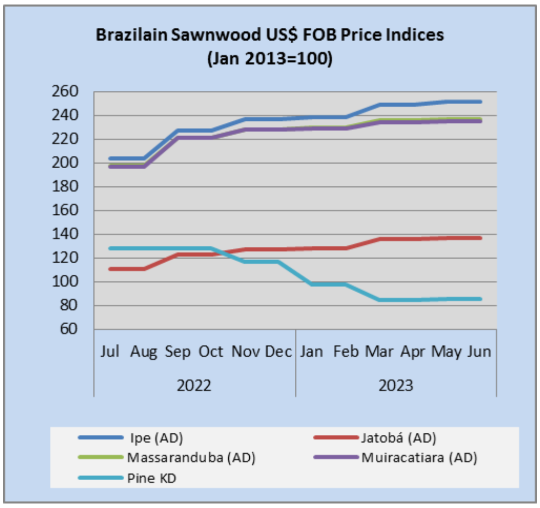


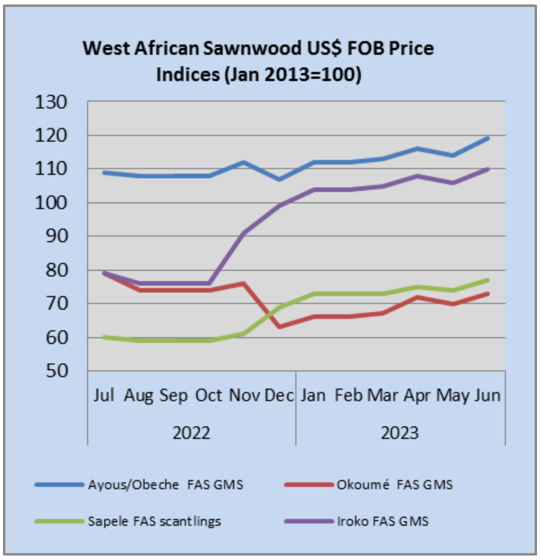
Data source: Drewry World Container Index

See: https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry

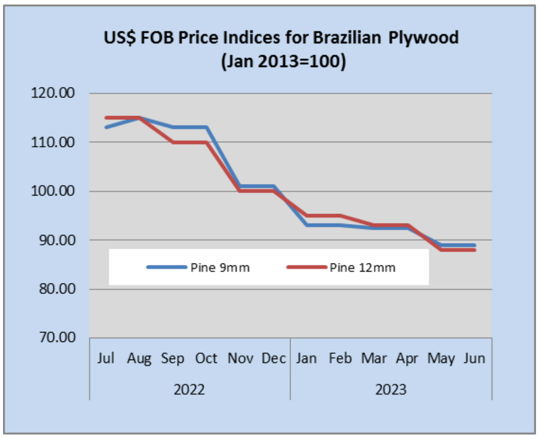
Price indices for selected products
The following indices are based on US dollar FOB prices







Note: Indices for W. African logs and sawnwood are recalculated from Euro to US dollar terms.



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